Featuring the Food Industries

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STEADY GROWTH OF TRADE INDICATED THROUGHOUT 1926

Expansion is Slow But Along Essentially Sound Lines

CREDIT BASIS SOUND

Signs of Over-expansion of Credit in States Not Apparent in Canada as Yet

What the trend of business during the early part of 1925 will be, is a question to which the business executives of the country are now seeking an answer. When a comparison is made with the outlook in the United States, as analyzed elsewhere in this issue by a recognized authority, Col. Ayres, points of similarity as well as decidedly dissimilar factors appear. An analysis of the fundamental conditions underlying these, enables one to arrive at a working basis by which to estimate the coming year's prospects.

In both countries a fundamental factor to be considered is the eminently sound condition of agriculture. Some weeks ago it was estimated by The Financial Post that the farm revenue of Canada this year would be more than $230,000,000 greater than that of last year, bringing the total to $1,716,580,000. Subsequent official reports of the grain and root crops bear out these figures to a remarkable degree. The total revenue will not all be realized immediately, but will extend over a period of months, affecting business until well into next year. The agricultural position is even more favorable than that of the United States.

Industrially, a variety of conditions exist in both countries. The volume of freight carried has continued to expand each month. For the week ended November 7, Canadian loadings reached the highest point for some years, the total being 77,370 cars. A similar situation obtains in the United States, but the farm plays a larger part in these figures than the factory. United States costs of production have been increased by the coal strike, and in Canada most of the basic manufacturing industries are just holding their own, although some important gains have been made.

According to the analysis of United States business already referred to, business profits in that country this year will be larger than for any peace-time year in the history of the country. Such a record can scarcely be hoped for in Canada, but it is now certain that the total revenue of all branches of Canadian industry, farming included, will be well over $300,000,000 greater than that of any previous year, the indicated total being in the neighborhood of $5,596,330,000. In both countries commercial insolvencies have been on a steady decline and foreign trade has pursued an ascending scale.

Canadian Credit Structure Sound

Here the parallel ends. In the United States the period of prosperity has been due largely to the extraordinary expansion in building, in real estate transactions, and in instalment sales of almost every line of goods bought and sold. There has been a tremendous growth in the extension of credit, and many serious observers are beginning to enquire whether this has not set a very definite limit to the buying power of the country. In any event, the authority quoted feels that there is genuine reason for doubting "whether business can continue to be equally good during all of next year."

In Canada there has been a steady growth in the volume of building but there has ben no boom. There has been an expansion in the volume of instalment business, but not sufficient to interfere with the country's buying power. There has been no boom in land values. In brief, those factors which are looked for to cause a slowing down of business progress in the States before many months are not operative in Canada. Business has ben expanding on a less spectacular basis, but along inherently sound lines. Large industrial and financial institutions have been engaging in a consolidation process which will better enable them to compete for world business. Canadian mining also is contributing to sound and substantial development. The total output of the mines this year will be worth $232,550,000 as against $209,000,000 last year.

All these factors point to a decidedly different outlook in Canada to that indicated in the United States. Canadian business is building along essentially sound lines. There is abundance of credit available for normal development, and steady improvement is being made. There is no boom nor is any such in prospect, but the steady upward movement, along with a gradually expanding national revenue, points to a continuation of healthy growth in 1926. The horizon is much clearer than is the case in the United States.

The Manufacturers And Farmers Have Mutual Problems

BOSTON.—The importance of cooperating with the manufacturers in the marketing of agricultural products is being appreciated by the farmers of New England. At the conference of one thousand delegates representing, conservatively, $5,000,000,000 of agricultural, industrial and commercial income annually, held last week, Commissioner of Agriculture Gilbert of Massachusetts, declared that the problem of raising more food and getting it distributed economically was a problem for the farmers and the manufacturers to solve together.

General Motors Buys Vauxhall

Important Negotiations Were Conducted by Canadians

A motor car merger of great interest to Canadians is the purchase by the General Motors Corporation of the Vauxhall Motor Car Company of England. While the transaction is taking the form of purchase of the British company by the American General Motors, it is of especial interest, because of the close association of the General Motors of Canada with the British market. The Financial Post understands that officials of the Canadian company negotiated the details of the transaction, and official announcement that it has been closed is expected shortly.

General Motors has been building strongly for foreign markets and has negotiated for other British plants without success. Completion of the Vauxhall deal is virtually assured, only details remaining to be cleaned up.

The Vauxhall is a car with a high reputation in the Canadian, as well as the home British market, and a number of them are seen on Canadian highways.

QUEBEC BISCUIT MERGER COMPLETED

Two French-Canadian Companies Merge to Form the Biggest Company in the Province

From Our Own Correspondent.

MONTREAL.—Following the general tendency toward mergers, it is now announced that two of the larger biscuit manufacturers in the province of Quebec have combined to form the largest organization of its kind in this province. The two firms involved are Viau and Freres, Montreal, and Joseph Dufresne Limited, with headquarters at Joliette and several branches throughout Quebec.

Each of these companies is engaged in the manufacture of a different class of product; the amalgamation will mean that the new combine will distribute a complete assortment of biscuits. The merger has been consummated, first with a view toward extending the activities of the firms concerned, and secondly as an economic step which will effect a substantial saving in manufacturing and selling costs and will at the same time place the combine in a position to meet aggressive methods from competitors. The good market which is now enjoyed by each company can thus be conserved and ultimately extended.

The merger has been completed and arranged in such a way as to permit the inclusion of other companies at a later date, should this be warranted or advisable.

The capitalization of the merger company will consist of $1,000,000 in 7 per cent. cumulative preferred stock and also common stock of no par value. The preferred issue will be subdivided into first and second preferred—it is the first preferred which will be offered by the bond houses participating in the issue next week.

Action in Home Bank May Prove Bad Precedent

OTTAWA.—The action of the government in coming to the rescue of the Home Bank depositors, and thus assuming a measure of responsibility for the failure of that institution, is believed to be an important factor in the recent advance of the Canadian bank stocks, which have risen on an average of nearly 20 points since the first of the year.

At the time it was pointed out that the government was establishing a dangerous precedent in thus assuming liability for the losses of a private institution, and this would seem to be borne out in the public assumption that the government has by its example admitted responsibility for the affairs of the banks which would have a bearing upon the position of depositors and shareholders in the future.

OPPORTUNITIES ARE GREAT FOR NEW TRADE BODY

National Issues Under Consideration at Winnipeg

BEATTY ON SETTLERS

President of Canadian Pacific Discusses Great National Problems in Practical Way —Resolutions Passed

WINNIPEG. — An organization launched under auspicious circumstances and with opportunities to provide valuable leadership in the solution of Canada's economic and social problems came into being when the new National Board of Trade was formed by delegates representing trade boards and chambers of commerce from the Atlantic to the Pacific in conference here. The movement which has culminated in this definite action was started some months ago by S. B. Gundy, president of the Toronto Board of Trade, who, in the working out of the plans, has had the co-operation of the presidents of the boards of trade of Montreal, Winnipeg, Vancouver, Halifax, and some other important cities.

In the formation of this national body by representatives of industry and commerce from all parts of the country there has been recognized the complex nature of the problems being faced because of the wide divergence of interests of the Canadian people divided into distinct physical areas and separated by differences in creed and racial origin. The opportunities for worth-while accomplishment lie in the direction of bringing about mutual understanding and appreciation of the problems of each section of this great country, economically divided by nature, by each and all of the other portions. That the self interests of the people of the different provinces and sections can be overcome is too much to look for, even if it were deemed to be desirable, but there is a growing conviction that national prosperity lies in the direction of bringing about a better understanding and a spirit of mutual cooperation and toleration for the good of all.

Agriculture Neglected

Maritimes and British Columbia, as the outlying provinces of the Dominion, received a particularly sympathetic hearing in the presentation of their problems and handicaps, and these will be given particular consideration when the organization is complete. On other important questions of a national character, clear and logical opinions were expressed, but it was rather unfortun-

(Continued on page 16)

Bank Stocks Reflect Improved Business and Efficient Methods

Bank of Commerce Under the Direction of Flavelle and Aird Leads the Upward Movement— The Factors at Work

The stocks of the Canadian banks have been advanced on an average of nearly 20 points since the first of the year. This indicates several things. It indicates returning confidence in the banks following the failure of the Home and the temporary difficulties of some of the other institutions. It indicates improvement in business and business prospects, for the earnings of the banks are a reflection of general commercial and industrial conditions. And it indicates also that the banks, through careful management, cutting wastes, and the adoption of efficient methods, are reducing their costs of operation. All along the line steps have been taken to curtail unprofitable services by educating customers to the justice of paying for service rendered, to eliminate unprofitable accounts on the same basis and to reduce routine reports and correspondence — usually referred to as red tape—by more efficient staff direction.

As indicated by the action of the stock market, the Canadian Bank of Commerce has accomplished more in this direction of improved administrative efficiency than any of the others. Commerce shares have recently sold about thirty points higher than at January 1. Since the appointment of Sir Joseph Flavelle as chairman of the board, there have been many changes brought about in the administrative policies, and, with the co-operation of Sir John Aird as president and general manager, the position and outlook for this great financial institution have greatly improved as the result of these changes. That this is appreciated by the investing public is indicated in the fact that Commerce shares have recently sold nearly 50 points above the price prevailing when the Flavelle and Aird appointments were made.

What is being accomplished by the banks in improving their business methods should be a lesson to other financial and industrial institutions and corporations. During the period of the war boom, and after, many extravagances were permitted to creep into business operation, and their cost was ignored in the face of big, and sometimes easy, profits. Now business is being done on a narrow margin and the profits go to those institutions and companies which can, by efficient methods and careful management, get the costs of production, or of rendering service, down to a satisfactory basis, and, in the case of producing concerns, they must have successful salesmanship. What is involved is careful study and hard work by executives and all their employees.

Manitoba's Industries in 1923 Produced More Than Farms

The point was very effectively made by J. H. Fortier, president of the Canadian Manufacturers' Association, in addressing the Toronto Canadian Club this week on the development of inter-provincial commerce in the interests of national unity and national prosperity, that the Western provinces are becoming increasingly interested in industrial as well as agricultural development. He did so by pointing out that statistics indicated that already manufacturing is more important than farming in Manitoba.

Mr. Fortier's statement attracts particular attention to this industrial phase of Western development and the growing importance of the manufacturing industries of the prairie provinces and British Columbia. The latest available figures of industrial production are for 1923 and they show that in the great agricultural province of Manitoba, factories produced to the extent of $97,334,531, while the farms produced only $86,566,000. In the same year, Alberta's industrial production was $54,337,801 against $187,163,000 from the farms, and for Saskatchewan the figures were $34,337,811 and $304,424,000 respectively. In British Columbia, however, the industrial production of $175,606,992, or more than four times greater than the $43,586,000 from agricultural sources.

Figures for manufacturing for 1924 are not available, but they would not show as great improvement as for agriculture in Manitoba in that year when the total for the latter was $161,193,000. But, on the other hand, the agricultural production for 1924 was considerably smaller for Alberta and British Columbia than for 1923.

All of which goes to prove, as Mr. Fortier stated, that the Western, as well as the Eastern, provinces have an interest in the prosperity of the manufacturing industries.

Meighen Will Lead Quebec Fight in Coming Campaign

Special Correspondence.

MONTREAL. — Rt. Hon. Arthur Meighen, Conservative leader, will carry the fight into Quebec province in the coming election campaign. This is the interpretation placed on his emphasis, in his Hamilton address, upon the necessity of self-determination by Canada in wars involving the Empire.

High Conservative leaders are now ready to admit that the Tory campaign in Quebec was badly managed; that the foolish stratagem of keeping Mr. Meighen out of the province only disappointed the French-Canadian and made him ready to believe the stories told about Mr. Meighen.

In the last campaign, the strongest men in the Tory ranks in Quebec, or at least those with the biggest following among their fellow countrymen, were not even asked to campaign for the Conservative cause. Men like Senator l'Esperance and Senator Chapais were left forgotten, although they had the power of rallying public opinion to the causes they supported.

As a result of the failure of Meighen to campaign Quebec and of the refusal to ask many of the best Conservatives to enter the fight, the Liberal campaign met with little opposition. Mr. Meighen was painted exceedingly black and was not there to answer the charges against him. In fact, his very absence left Jean Baptiste in doubt. The Liberal campaign in Quebec was perhaps as high principled as election campaigns are on the average but it was certainly not fought on sound issues. There are undoubtedly many Quebeckers on both sides of the party political fence who are now acutely ashamed of the part they played in the recent contest.

Mr. Meighen will undoubtedly fight the Quebec campaign himself in the coming fight. If he does that, Quebec business leaders say, he will gain. And if he gains five seats or more he is sure to rally to his side the best men in the Conservative party in Quebec. But to do it he must fight his fight with out and out Tories. That is the view of Quebec.

CANNERS PLAN A CAPACITY OUTPUT

Believe That Increase in Consumption Will Come From Lower Prices

Canadian Canners has made plans to operate its numerous factories to capacity next year. This will require a heavy increase in raw materials from the farmers. Prices which the company obtained for its pack this year were such as to assure a fair return. Increased sales are to be expected from the higher pack next year, and this increase should offset lower prices. The company found this year that low opening prices have given satisfaction to the trade from coast to coast and have resulted in a very satisfactory increase in consumer demand, which will, it is hoped, absorb the season's pack with the period prior to the new pack.

The per capita consumption it is believed can be materially increased by more publicity, and an advertising campaign with this in view is now under consideration.

Another Large Dairy Company for Toronto

New competition is to enter the milk business in Toronto. Willard's Chocolates has installed new machinery and will start delivering milk about the middle of next month. There is talk of a merger of some of the dairies, and the spreading of operations to Montreal. There are rumors that one large dairy may figure in the merger. Shares of City Dairy have fallen off a half dozen points during the past few weeks. Whether the talked-of competition and possibilities of a cut in milk prices, if competition becomes very keen, was a factor in this or not, is unknown.

Australian Butter Offered in the Ontario Markets

Apparently as a result of the Canadian-Australian trade treaty, considerable quantities of Australian butter will be offered on the Canadian markets during the next few months. During the past week not only has this butter been offered here, but sales totaling approximately 10,000 boxes of 56 pounds each were sold to Toronto dealers for December shipment. The price the Australian butter realized was 39½c. per pound, c.i.f., Halifax, or, laid down in Toronto, at around 41½c. per pound, and will land here during the first or second week in January.

Before the consummation of the Australian trade treaty, the duty on butter from Australia was four cents per pound, although New Zealand had a preference of three cents per pound. By the new treaty, which came into effect in September this year, the Australian duty on butter was reduced to one cent per pound.

At the present time the wholesale price of top grade butter in Toronto is 43½c. per pound, which is slightly higher than the price of the Australian product, and, probably by the time this butter arrives, prices here will be considerably higher. One factor that would lead one to believe that prices will be higher is that stocks of butter for the whole of Canada is considerably smaller than for several years. On Nov. 1, the total stocks amounted to 16,811,099 pounds as compared with 33,107,084 pounds on the same date last year, and as against the five-year average of 26,246,209 pounds.

But the offerings of Australian butter seems to have put a different phase on the situation, and even though stocks are very low, it is felt that the Australian product purchased at a lower price will have a tendency to keep prices down, or at least level off the market.

It is being pointed out that in the tariff reduction on butter the Canadian farmer is being hit, as is the Canadian manufacturer on other reductions.

W. E. Clarke has been elected vice-president of The Pedlar People, Limited, Oshawa, and will make his headquarters in Montreal. Mr. Brown becomes sales manager.

BRITISH TARIFF TO HELP CANADA BY PREFERENCES

Baldwin Announcement is of Importance to Canadian Industry

PAPER AND ALUMINUM

These Are Two of the Most Important Canadian Products Likely to Benefit From the New Policy

From the London, Eng., Office of The Financial Post.

LONDON, ENG.—It is strongly believed here that we are on the eve of a long and steady period of trade improvement. People over here, including manufacturers and the enlightened section of the labor party and politicians generally, have got a better general idea of what the country needs than has been the case at any time in my memory.

The Safeguarding of Industries Act has shown the people that a reasonable protection of industry is for the general good. The new tax on silk is resulting in new plants being put down in various parts of the country, and also the cotton goods manufacturers are using silk to a very considerable extent.

A number of industries, including cutlery, brush manufacturers, pottery people, aluminum ware, hollow-ware manufacturers, etc., are applying for protection and will likely get it.

This will be a good thing for the British manufacturer, and a good thing for the Canadian manufacturer, because there are a lot of wholesale houses, both metropolitan and provincial, who have been doing a big business as distributors, who will, under the new conditions, have to search a wider field for their supplies. Some Canadian manufacturers should be able to extend business over here as a result.

Canadian Products to Benefit by Preference

From Our Own Correspondent.

OTTAWA.—Preliminary announcements in regard to British tariff proposals are not definite enough to indicate just how they will affect Canada, but they do make it clear that this country stands to reap a good deal of benefit from the return of Britain to the sound policy of protecting home markets. Premier Baldwin has previously made known his intention of coupling his adoption of protective measures with a policy of preference for producers within the Empire, and this means material advantages to Canadian manufacturers in several lines, if duties are put up against foreign products in all the commodities which have already been cited by Mr. Baldwin and his colleagues in the British House.

Five different industries are affected by the statement made at the opening of the British parliament by Sir Philip Cunliffe-Lister, president of the Board of Trade. They include wrapping and packing paper; brooms and brushes, enamelled hollow ware, cutlery, worsted tissues, gloves, gas mantles, and aluminum hollow ware. In five of these lines, Canada is already engaged in the export trade,

(Continued on page 5)

Wages Settling Down To a Pre-war Basis

LONDON.—That real wages everywhere appear to be settling down to post war equilibrium positions not far removed from those in pre-war days, it is the conclusion resulting from a close analysis of the industrial situation throughout the world made for the Federation of British Industries.

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FEATURING FOOD INDUSTRIES

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The Business Outlook in Canada

Conducted by H. M. CAMERON, Statistical Editor, The Financial Post.

THIS YEAR WILL MAKE RECORD FOR PROFITS IN U.S.

High Scale of Trade Expected For First Part of 1926

Colonel Leonard Ayres of the Cleveland Trust Company, recognized banking expert and economist, makes the following observations relative to next year's business prospects:

"It is becoming entirely probable," the says, "that for business in general the profits of 1925 will be larger than those of any previous peace-time year in the history of American business.

"There can now be no real doubt that general business will be good and very good during the rest of this year.

"There is equally little doubt that good business will prevail during the early months of 1926.

"There does appear to be genuine reason for doubting whether business can continue to be equally good during all of next year.

"This period of prosperity," the Colonel explains, "has been largely based on the extraordinary building boom which has been under way in this country for four years. It has been greatly helped along by the ample supply of easy credit that has been available during the past two years. At present, building construction is going forward in tremendous volume. Real estate booms are under way in so many cities that they are almost general, and that they attract but little attention because they are accepted as normal and because they are eclipsed by the superboom in Florida.

"Sometime in the future, building must slow down. When that happens, real estate booms will calm down also. If the automobile manufacturers really build next year all the cars they are now planning to build, that industry will surely over-supply its market. Sometime in the future, stock prices will stop advancing and begin to decline, and some of them will go down a long way. Some time the possibility of expanding retail sales of all sorts of goods by selling on easy partial payments, will reach and pass the limits of its usefulness. The time will come when even the Florida boom will be checked.

"These are some of the reasons why it does not seem clear that business during all of 1926 promises to be as good as it is in the closing quarter of 1925. It is probable that all the developments mentioned as sure to come some time, will arrive, if not simultaneously, at least in sufficiently close sequence so that they may in some degree overlap and intermingle. It seems as though that might happen in the latter part of 1926."

"It is probable that the production of steel during 1925 will exceed all previous records. The operations of the industry are now at about 85 per cent. of full capacity.

"Pig iron prices have been advancing steadily and production in October reached the highest level since last April. One reason for the price increase is the strike in the anthracite coal fields which has resulted in sharp advances in the price of coke, used as a hard coal substitute. This greatly increases the production costs of iron."

In viewing the prospects for the remainder of 1925, the Colonel writes:

"Profits for the final quarter of the year will most likely be at even higher levels than for the first three quarters.

"Figures show decreasing numbers of insolvencies and reduced liabilities, this despite the fact that the number of insolvencies always increases at the end of the year and the beginning of a new year.

"The prospects are that the holiday trade during the coming weeks will be the greatest and the most profitable it ever has been."

A New Amalgamation of Dye Importers

MONTREAL.—Leading importers of dye-stuffs, intermediates and auxiliary products were recently merged into a million dollar concern and began operating in Montreal this week under the name of the Consolidated Dyestuff Corporation. A charter for $1,000,000 was taken out by the corporation and the fact that dyestuffs to the value of over $600,000 were taken over from the component companies gives an indication of the size of the new undertaking.

The following are the constituent companies of the new corporation. Canada Colors and Chemicals, Dyestuff Dept. of Toronto; Grasselli Dyestuff Dept. of Toronto; Kuttroff, Pickhardt & Co.; McArthur, Irwin, Limited; Pollock Bros. & Co., Limited; Rubinovitch & Haskell, Limited.

The last four companies are all of Montreal, and their dyestuff departments only are taken over.

Alfred Pollack is the president of the new concern, John Irwin is vice-president and Gustav Stoecker is secretary-treasurer.

Directors are as follows: Otto Palm, who will act as manager of the Toronto office; Major R. R. Carr-Harris, of Toronto; William Von Rath, Doctor R. Hutz, and E. K. Halback, all of New York.

A Canadian Products Dinner Served in London

LONDON.—Empire trading received a further impetus when the Honorable P. C. Larkin, High Commissioner for Canada, presided at a Canadian dinner at the Hotel Cecil, given to the London Press and the Provision Trade, where food products from Canada were served. Upwards of two hundred guests attended. They enjoyed a dinner composed of oxtail and corn soup, frozen salmon, fillet steak, peas, bacon, chicken, cheese, butter, bread, ice cream, maple syrup, apples, pears, cigars and cigarettes. In addition, each guest was presented with a suitable hamper to be taken to his home, and which contained samples of honey, cheese, butter, ham, bacon, maple syrup, maple sugar, and an assortment of jams and apples.

THE LUNENBURG CATCH

LUNENBURG.—The Lunenburg Grand Banks fishing fleet of seventy vessels has completed its season's work with a catch of 245,373 quintals, an average catch of 3,505 quintals per vessel, the largest catch per vessel on record, according to figures made public.

GASOLINE CONSUMED EXPANDS ENORMOUSLY

Canada Stands Second in Per Capita and Fourth in Actual Consumption

Canada stands second in per capita consumption of gasoline, which has been expanding at an amazing rate during recent years. According to an interesting summary of the industry made by the United States Department of Commerce, American production has grown from about 1,500,000,000 gallons in 1914 to 8,950,000,000 gallons in 1924. This is an increase of 500 per cent. in the decade.

Great Britain, the second largest consumer of gasoline, requires annually a quantity equal to only about 7 per cent. of the American demand, while the total annual consumption in China is equivalent to about eight hours' supply in the United States—these two comparisons giving a good idea of the relative importance of the United States in the world gasoline industry.

Besides the United States, those countries manufacturing gasoline from locally produced crude petroleum in sufficient quantities to supply all or a large part of the domestic demand and leave a surplus for export are Mexico, Peru, and Trinidad, in the Western Hemisphere; Russia, Poland, and Rumania, in Europe; and India, Persia, the Dutch East Indies, and British Borneo, in Asia.

Countries producing gasoline from domestic crude oil in sufficient quantities to supply a part of the local requirements but without a supply available for export to any extent, include Ecuador, Argentina, and Japan, and to a lesser degree (in proportion to consumption) France, Italy, Canada, and Czcho-Slovakia.

The consumption of gasoline in European countries during 1924 probably reached a total of approximately 1,300,000,000 gallons, a quantity equivalent to a little less than 17 per cent. of the consumption in the United States during that year. The following table shows this consumption in some of the larger countries:

	Consumption Gallons	Motor Vehicle Registration	Per Capita Cons'ption Gallons
U.S., 1924 ..	7,780,625,085	17,880,000	69.3
Can., 1923-24	260,252,000	599,000	29.0
U. K., 1924..	549,600,000	1,266,400	11.6
Germ., 1923 .	43,704,000	350,000	0.7
Fr., 1924 ...	297,234,000	677,000	7.5
Italy, 1923 ..	49,226,700	160,000	1.3
Rus., 1923-24	14,750,000	15,000	0.16

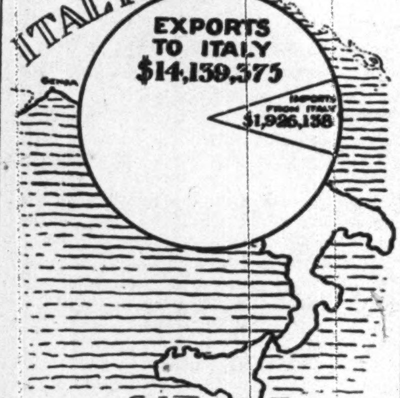
The United States exported nearly 860,000,000 gallons of gasoline to Europe in 1924, and the balance of the demand was met in large part from Russia, Poland, and Rumania.

FOREIGN TRADE OPPORTUNITIES — No. 10

Italy Making Notable Recovery in Industry and Trade

Productive Nation of Forty Million People Needing Our Products Presents Big Opportunities

Italy is one of those countries with whom our trade is exceedingly lopsided, and the advantage is in favor of Canada. Last year we sold to Italy $14,139,375 worth of goods, while our purchases from Italy amounted to only $1,926,138.



Italy's recovery since the war has been more rapid than that of most other European countries. With a population of nearly forty million people, and a very productive country, Italy presents tremendous market possibilites. Although Italy is a large wheat producing country, she purchases from us large quantities of this product each year. Last fiscal year the total was more than ten million dollars. The next important Canadian product purchased by Italy is dried cod fish of which last year's sales totalled $824,000. Other fish products also find a large market, especially canned salmon, of which last year's purchases totalled more than $688,000. Owing to the high standard of Canadian flour, Italians have come to regard our product as superior, and purchase large quantities of it each year. Last year's committments amounted to $566,000.

Mineral products constitute another large source of revenue in respect to exports to Italy. Large quantities of nickel, aluminum, asbestos and coal are purchased from us, particularly for specialized work.

Taking all these products together it is evident that Italy presents a wide range of opportunities for Canadian trade. Our trade with Italy is on practically the same basis as that with France, there being special tariff preference in a large range of products. In nearly all cases the Italian treaty tariff is materially below the general tariff rates.

Excellent facilities for transportation of goods exist between Canada and Italy and a close co-operation between Canadian and Italian banks facilitates the movement of trade paper.

As already indicated, our imports from Italy are exceedingly small as yet, the largest item in last year's goods being lemons, of which we purchased $313,000 worth. The next largest item was hats. Other fairly large classes of goods bought from Italy include olive oil, nuts, canned vegetables, and cheese. In practically all of these lines we buy more or less specialized products. Italy is an important source for materials which we have difficulty in securing elsewhere.

Material progress has been made towards a re-organization of the railway system and services, and general industrial improvement. Italy has a constantly increasing population, and a productive population.

The Italians were among the first to get seriously to work after the war and consequently have been able to take their place in world trade more promptly than many other European peoples.

The unit of circulation of Italy is the lira which has the same value as the French and Belgian franc, namely, 19.3 cents. Italy's currency has been very badly depreciated since the war, fluctuating usually with the French franc. At the present time the lira is quoted at slightly over four cents. While there is a general expectation that these currencies will some time recover, there is also an impression that it will some day be necessary to convert them probably somewhere above present levels. Italy's financial situation has improved materially and her bonds are well regarded in the world markets. With every facility for increasing our trade and with special preferences which facilitate the promotion of this trade, there is every reason to expect a material improvement year by year.

Canadian Conditions

Car Loadings— 1925 1924
Week Nov. 7 77,370 69,422+11.5%
Yr. to date 2,507,839 2,503,245+0.1%

Grain Receipts—
1925 1924
Aug. 1 to Nov. 6 143,934,336 87,808,309+63.9%

Building—
1925 1924
October 9,591,719 11,238,610—14.6%

Bank Clearings—October—
1925 1924
$1,671,835,417 $1,730,954,872— 3.4%

Savings Deposits—Chart. Banks—
1925 1924
Sept. $1,268,554,097 $1,177,428,453+ 7.7%

Current Loans—By Banks—
1925 1924
September 903,717,736 956,744,562— 5.5%

Net Dominion Debt—Oct. 31—
1925 1924
2,360,022,809 2,376,349,075— 0.6%

Wheat, No. 1, Nor. Winnipeg—
1925 1924
Nov. 16, $1.37 Nov. (Av.) $1.64

Railway Earnings—
9 Months— 1925 1924
C. P. R. $124,674,088 $129,358,698— 3.6%
Oper. Exp. 103,038,167 108,912,816— 5.3%
Net 21,635,921 20,445,882+ 5.8%
C. N. R. 169,268,260 172,484,625— 1.8%
Oper. Exp. 156,942,497 166,408,805— 5.6%
Net 12,325,763 6,075,820+102.8%

Balance of Trade—
12 months, September 30—
1925 1924
Exp. $1,170,475,868 $1,086,177,945+ 7.7%
Imp. 852,623,241 826,166,002+ 3.2%
Bal. $17,852,627 260,011,943+22.2%

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A. E. PHIPPS, General Manager.
6

Bank Stocks Improved Prices Reflect Better Business and Other Things

Comparative Record of Listed Bank Stocks

Banks—	High price 1910	since Date	High July 1914	Prices at the end of 1918	Prices at the end of 1920	Prices at the end of 1921	Prices at the end of 1922	Prices at the end of 1923	Prices at the end of 1924	Present Price
Commerce	237	May 1911	205½	202	182½	185	191½	184½	198	229⅞
Dominion	242	Jan. 1913	230	208	191	200	191	182	190	212
Can. Nationale	180	Aug. 1912	151	143	153	148	150	144	150	152¾
Imperial	229	Dec. 1912	218	203	188	174	180	174	190	201
Montreal	271	Oct. 1925	235	216	196	215	231	240	244	264
Nova Scotia	284	Oct. 1925	265	255	250	252	255	251	262½	283
Royal	255½	Oct. 1925	223	214	193	200	206¾	212	227	250
Standard	239	June 1912	220	214	193	204	204	167	171	192
Toronto	217½	Oct. 1925	212	194	182	188	183	176	194½	213
Union	174	Feb. 1912	141	160	142½	142	135⅛	105½	108	--

Dividend Record and Yields to Shareholders

Banks—	Div.	July 1914 Price	Yield	Div.	Nov. 1918 Price	Yield	Div.	Nov. †1925 Price	Yield
Commerce	10+2	205½	5.85	10+2	188	6.38	12+1	229⅞	5.65
Dominion	12+2	230	6.08	12	202	5.94	12+1	212	6.13
Can. Nationale	9	151	5.96	9	140	6.42	10	152¾	6.54
Imperial	12	218	5.50	12	190	6.31	12+1	201	6.46
Montreal	10+2	235	5.10	10+2	210	6.66	12+2	264	5.30
Nova Scotia	14	265	5.28	14	248	5.64	16	283	5.64
Royal	12	223	5.38	12	208	5.76	12+2	250	5.60
Standard	12	220	5.90	13	200	6.50	12	192	6.25
Toronto	11+1	212	5.66	11	194	5.67	12	213	5.63

†Maximum price Nov. 5, or last price previous to that date.

Record of Bank Dividends Since 1917

Banks—	1917	1918	1919	1920	1921	1922	1923	1924	1925
Commerce	10+2	10+2	12	12+1	12+1	12+1	12+1	12+1	12+1
Dominion	12	12	12+1	12+1	12+1	12+1	12+1	12+1	12+1
Hamilton	12	12	12	12+1	12	12	12	—	—
Can. Nationale	9	9	9	10	10	10	10	10	10
Home	5	5	5	6	7	7	3½	—	—
Imperial	12	12	12	12+1	12+1	12+½	12+1	12+1	12+1
Merchants	10	10	11+1	12+1	12+1	1½	—	—	—
Molsons	11	11	12	12	12	12	12	12	3
Montreal	10+2	10+2	12	12+2	12+2	12+2	12+2	12+2	12+2
Nationale	*9	9	9	10	12	7½	6	—	—
Nova Scotia	14	14	16	16	16	16	16	16	16
Provinciale	7	7	†8	8	9	9	9	9	9
Royal	12	12	12+2	12+2	12+2	12+2	12+2	12+2	12+2
Standard	13	13	13	14	14	14	13½	12	12
Sterling	6	6	6	7	8	8	8	8	—
Toronto	11	11	12	12	12	12	12	12	12
Union	8+1	8+1	10	10+2	10	10	9	8	6
Weyburn	5	5	7	7	7	7	7	5	5

*Increased from 8 per cent. to 9 per cent. during the year.
†Increased from 7 per cent. to 8 per cent. during the year.

Record of Bank Profits

Banks—	1918	1919	1920	1921	1922	1923	1924
Commerce	$2,850,318	$3,074,892	$3,306,248	$3,116,136	$3,002,435	$2,913,419	$3,424,722
Dominion	1,146,498	1,169,703	1,188,511	1,016,262	1,175,478	1,129,870	1,144,082
†Hamilton	871,226	847,104	888,018	850,672	797,898	......	......
Can. Nationale	595,187	611,105	649,759	650,902	604,829	600,122	737,083
††Home	228,963	238,753	268,894	278,556	275,112	......	......
Imperial	1,185,066	1,247,516	1,379,318	1,287,061	*558,003	1,141,600	1,107,889
††Merchants	1,236,680	1,383,569	1,686,156	1,402,820	......	......	......
†Molsons	712,485	818,802	822,718	752,589	682,104	614,357	577,544
Montreal	2,562,720	3,314,227	4,033,995	3,949,796	4,156,668	4,496,417	4,454,504
†Nationale	455,283	535,456	507,372	544,945	401,922	327,258	......
Nova Scotia	1,411,925	1,925,478	2,327,422	2,111,738	2,122,682	2,104,552	2,110,028
†Ottawa	646,487	......	......	......	......	......	......
Provincial	......	**434,594	358,882	425,647	415,251	583,696	403,330
Royal	2,809,846	3,423,264	4,253,649	4,037,836	3,958,469	3,909,516	3,878,976
Standard	697,443	776,310	784,369	725,014	728,074	695,095	688,682
†Sterling	186,120	213,632	251,436	255,976	260,694	243,350	......
Toronto	844,402	1,011,359	1,017,871	926,125	878,762	984,669	968,204
†Union	824,174	932,256	1,603,842	1,342,389	1,131,060	1,033,432	911,942
Weyburn	74,343	62,230	57,742	46,628	48,426	40,270	46,601

*For six months. **For eighteen months ended June, 1919. †Bank absorbed. ††Defunct.

Investments of Stock Holders

	1913 Reports Capital	1913 Reports †Surplus	1924 Reports Capital	1924 Reports †Surplus
Commerce	$15,000,000	$13,884,529	$20,000,000	$21,218,080
Dominion	5,811,244	7,459,033	6,000,000	7,900,124
Canadienne Nationale	4,000,000	3,652,561	5,500,000	5,747,991
Imperial	7,000,000	8,265,919	7,000,000	8,559,225
Molsons	4,000,000	4,881,932	4,000,000	3,133,271
Montreal	16,000,000	17,460,217	29,916,700	30,765,458
Nova Scotia	6,000,000	11,041,124	10,000,000	19,837,723
Provinciale	1,000,000	637,873	3,000,000	1,522,738
Royal	11,560,000	13,575,119	20,400,000	21,543,806
Standard	2,860,240	3,812,457	4,823,400	3,051,110
Toronto	5,000,000	6,307,272	5,000,000	7,239,115
Union	5,000,000	3,490,579	8,000,000	2,069,434
Weyburn	316,100	105,112	524,560	245,527
Since absorbed	30,534,671	25,188,797	......	......
	$114,082,255	$119,760,524	$124,164,660	$132,813,600
		114,082,255		124,164,660
		$233,842,779		$256,978,260
*Since Absorbed—				
B. N. A.	$4,866,666	$3,125,770		
Metropolitan	1,000,000	1,432,547		
N. Crown	2,811,804	422,276		
Ottawa	4,000,000	4,952,759		
Quebec	2,727,850	1,331,967		
Merchants	7,000,000	7,248,134		
Hamilton	3,000,000	3,751,131		
xxHome	1,943,998	773,932		
Nationale	2,000,000	1,762,299		
Sterling	1,184,352	387,982		
	$30,534,671	$25,188,797		

†—Includes reserve. xx—defunct. *Also Molsons and Union.

In view of the recent strength in the bank stocks and because the earnings of the banks reflect general business conditions throughout the country, it is timely at this season, prior to the appearance of the annual reports, to review the position of the various chartered banking institutions from the standpoint of the shareholder and investor on the one hand, and the whole business community on the other. The annual statements of the banks and the reviews of the situation and outlook by the high executives are closely followed by manufacturers, merchants and other business men and investors as providing a barometer with which to gauge conditions and in this connection the accompanying comparative statistics covering developments since before the war will be of great value.

Since the first of the year nine bank stocks listed on the Canadian stock exchanges have advanced an average of nearly twenty points. This is of interest not only to investors in the bank shares and other shares, but to the whole financial and business community because of the fact that, as the banks deal largely in commercial credit, their earnings—and the advance in the price of their shares would seem to indicate improved earnings—may be regarded as reflecting industrial and commercial conditions throughout the country. But there are a number of factors to take into consideration in analyzing the situation.

There can be no doubt but that, particularly since the successful crop in Western Canada was assured about mid-July, there has been general improvement in business conditions and the prospects of the banks have brightened to this extent. Further, it may reasonably be expected that this improvement will continue, for there has been little evidence of anything like a boom or a tendency to unduly discount what the future holds. However, it should not be overlooked that, following the developments which resulted in the failure of the Home Bank and the difficulties of some of the other financial institutions, investment confidence was somewhat undermined, and the prices of the bank shares were unduly depressed as a result. Restoration of confidence in the banks has undoubtedly been a considerable factor in the enhancement of share values. The fact that the government has seen fit in the case of the Home Bank to assume a certain measure of responsibility has no doubt served also to create confidence, even though the significance of this action of the government may be more assumed than actual. Then, too, there has been the general adjustment of investment values in which the stocks paying substantial dividends have been advanced to higher levels, while still another probable factor has been the tendency on the part of conservative speculators to change from the industrial stocks to something more stable, as the prices of the industrials have been bid up.

	Price Jan. 2	Pres.	Div.	Yield
Commerce	197	223½	12+1	5.82
Can. Nationale	150	153	10	6.53
Dominion	193	215½	12+1	6.04
Imperial	190	209	12+1	6.21
Montreal	245	260	12+2	5.38
Nova Scotia	265	283	16	6.02
Royal	227¼	250	12+2	5.60
Standard	171	194	12	6.18
Toronto	196½	217	12	6.52

Sir John Aird's Statement

At the annual meeting of the Canadian Bankers' Association last week, Sir John Aird, the retiring president, referring to the advance in the price of the bank shares, quoted from an interesting editorial in the London Economist:

"Another recent point of interest in connection with Canadian banks is the steady and persistent advance in the quotations for their shares on the Canadian stock exchanges, due, it is reported, partly to American and partly to local buying. The return of these shares to favor is an indication of a welcome revival of confidence. For a considerable period, Canadian banks suffered in the eyes of investors from their occupation of a place in the arena of political discussion, and from the repercussions of a number of unfortunate incidents in connection with minor institutions. After these disturbances, the Canadian investing public appear to be restoring to their banking houses, the degree of attention and confidence which they certainly deserve."

Reduced Costs a Factor

Under all the circumstances it would seem that a return of confidence in the banks and efficient management looking to a reduction of costs have been more important factors in relation to the advance in the price of bank shares than actual improvement in earnings experienced up to the present time. This is indicated in the fact that current loans in Canada are some $365,000,000 less than savings deposits in Canada, while in the period of expansion prior to the war, the loans were at times as much as $280,000,000 greater than deposits. The deposits themselves have, of course, shown marked expansion in this time.

One result of this situation has been that the banks have found it necessary to watch their costs of doing business very closely. There has been a general tendency to enforce the nominal charge in the case of accounts with small balances, and in other ways to make customers pay for services rendered. Also there has been a change in the branch bank policy of concentrating on savings deposits. The present situation is that the banks have plenty of money for loaning purposes, and good loans are being sought in all directions. Certainly the situation is one in which any improvement in business warranted by general conditions should not want for banking accommodation.

There is recurrent talk of further bank amalgamations, and it is generally believed that eventually there will be steps taken in this direction, but for the time being there appears to be nothing definite in this connection. The whole trend of the situation, and the efforts being made looking to a reduction of overhead costs, favor the bigger banks, and if consolidation can be made to advantage, they are to be anticipated.

Fir Seeds to U. Kingdom

VANCOUVER.—For several years regular shipments of quantities of Douglas Fir seeds have been shipped to the United Kingdom from here for reforestation purposes and the success attained is said to be very gratifying. Now there are seeds of the famous Airplane Sitka spruce being sent from the Queen Charlotte Islands to England. The finest spruce of this species in the world is on Queen Charlotte Islands. Hundreds of sacks of cones from the Queen Charlotte Islands are being received at the seed extraction plant at New Westminster for preparation for shipment to England.

Money Supply a Factor in World Trade

LONDON.—Improvement in world trade is forecast in the quarterly business summary of the Federation of British Industries.

There are fairly definite signs that the lull in world trade which, in accordance with our previous forecast, prevailed throughout the last quarter is coming to an end, and that a new period of expanding trade is about to begin. This movement, which is primarily seasonal in character, received considerable encouragement from the change over to a policy of cheap money and plentiful credit which occurred in August, followed by a subsequent further reduction of the bank rate on October 1st. If some official assurance could be obtained that the present monetary policy is to be persisted in, this movement might easily reach substantial dimensions, especially if the inflationary tendencies already at work in America remain unchecked. Unfortunately the recent weakness in our exchange, coupled with the heavy outflow of gold, amounting to nearly £7,000,000 during the first three weeks of this month, introduces the possibility of a reversion to a higher bank rate during the next few weeks; but such a change would imply miscalculation. Much will also depend on the policy pursued by the New York Federal Reserve Board.

How Bank Profits Have Been Distributed

Name	Balance	Profits	Total	Dividends	Taxes	Add to Rest	Premises	Pensions and Other	Balance
Commerce	$2,367,588	$3,424,722	$5,792,310	$2,550,000	$450,000	$150,000	.....	*$1,424,230	$1,218,080
Can. Nationale	239,658	737,083	976,741	475,000	103,750	......	.....	150,000	247,991
Dominion	825,375	1,144,082	1,169,457	780,000	169,332	......	75,000	45,000	900,124
Imperial	1,033,833	1,107,889	2,141,723	910,000	150,000	......	.....	42,500	1,039,223
†Molsons	134,858	577,644	712,402	480,000	62,000	......	.....	37,130	133,272
Montreal	659,582	4,454,504	5,114,086	3,815,000	412,500	......	125,000	.....	761,586
Nova Scotia	252,695	2,110,028	2,362,723	1,600,000	100,000	......	250,000	75,000	337,723
Provincial	26,041	403,330	429,371	270,000	51,330	......	75,302	10,000	22,738
Royal	1,085,830	3,878,976	4,964,806	2,856,000	465,000	......	400,000	100,000	1,143,806
Standard	215,661	688,683	904,344	488,234	90,000	150,000	.....	25,000	151,110
Toronto	1,170,911	968,204	2,139,115	600,000	100,000	......	150,000	50,000	1,239,115
†Union	317,074	911,942	1,229,016	640,000	134,582	**100,000	25,000	10,000	319,434
Weyburn	15,108	46,601	61,709	26,228	8,015	......	6,989	.....	20,527
	$8,344,214	$20,453,688	$28,797,803	$15,490,462	$2,296,609	$400,000	$1,107,241	$1,968,860	$7,534,729

COMPARED WITH PREVIOUS YEARS

1923	$7,913,105	$20,816,881	$28,729,990	$15,310,778	$2,395,823	$630,000	$1,425,000	$705,341	$8,263,047
1922	8,854,736	21,877,858	30,732,756	15,448,404	2,259,912	6,415,000	1,950,000	751,341	8,108,095
1921	9,129,881	23,809,806	34,339,225	16,600,587	1,703,785	3,816,885	2,135,000	938,186	9,144,772
1920	9,065,775	25,413,340	36,918,271	15,902,801	1,583,994	6,766,115	2,445,000	1,020,034	9,199,883
1919	8,348,989	21,018,237	36,238,742	13,615,504	1,189,638	8,295,000	1,965,000	2,116,514	9,067,069
1918	7,726,764	19,058,122	27,831,804	11,974,143	988,776	2,736,710	2,284,009	1,074,319	8,028,846

*Includes $750,000 reserved for depreciation; $500,000 to adjust British and foreign exchange and investments and existing rates.
†Since absorbed. **Contingencies.

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The Securities Markets

ARE WE IN BEAR MARKET OR ONLY SHARP REACTION?

Business Good and Easy Money Favors Further Advance, But—

Market Indicator
20 Industrial Stocks

	High	Low
Week of Nov. 18	85.3	82.7
Week of Nov. 11	85.5	82.3
Mth. of Nov., '24	73.1	67.9

Following the adjustment of the market values of some of the stocks which had headed the recent speculative movement on the exchanges, prices have shown an inclination to move sideways as they frequently do at such a time when an effort is being made to analyze the fundamentals and arrive at a proper relationship between security values and business conditions and prospects. However, generally speaking, the Canadian markets have not shown as much hesitancy and uncertainty as has New York nor have the readjustments been carried as far. Explanation for this is found in the fact that the speculative movement had not been of as long duration here nor had it been so pronounced. The influence of the American markets on the Canadian may be regarded as very largely sentimental but for all that it must be taken into consideration. The two markets usually move along somewhat parallel lines in their broad movements but the extent or duration of a movement in the one may be quite different in the other. In such a situation as at present even if the existing reaction in New York is extended—and opinion generally seems to be that this time has not yet arrived—it need not necessarily affect Canadian values because it is generally recognized that business improvement in Canada has lagged behind the United States and this has been reflected by stock prices.

During the week the Canadian bank stocks have shown further gains and practically all the industrial groups have shown more advances than declines, the tractions and the papers giving a particularly good account of themselves:

	Gains	Loss	Unch.	Total
Banks	5	4	-	9
Paper	8	4	2	14
Steel	6	4	3	13
Milling	6	4	3	13
Utilities	8	7	5	20
Tractions	7	2	1	10
Textiles	3	2	4	9
Industrials	16	19	8	43
Total	59	46	26	131

So far as the Canadian situation is concerned, reports of business conditions continue to show moderate and sound improvement in trade and industry. The state of political uncertainty is undoubtedly a dampening factor but it has not by any means entirely offset the benefits of a very satisfactory crop which came at a time when business generally was at low ebb. This improvement should continue but the country has some big problems to solve in order to bring about a return of a substantial measure of prosperity and it must always be taken into consideration that stock market values are more often based on an estimate of future values than on present worth.

The New York Market

There is considerable speculation as to whether the recent violent slump in the New York market has been in the nature of a reaction, which will have the effect of correcting an unsound speculative situation, or whether it is the turn from a bull to a bear market. The opinion of most authorities holds to the idea that with business improving and a plentiful supply of money there cannot be a bear market. However, there are always new factors in the situation to be taken into consideration and the following observations by an American business and investment authority will be found of interest:

> Of the three causes which bring bull markets to an end—high interest rates, changed business prospects, and a return to realities—it is probable that the present bull market will end for the third cause.
>
> The market has become a psychological phenomenon. Transactions are enormous, public participation is on a grand scale and enthusiasm is unbounded. Most people having paper profits would prefer not to take them until after the turn of the year so as not to be compelled to declare them for tax purposes this year. This fact has a tendency to support the market now, and it will tend to weaken it in January if no downward turn comes before then. One sure thing is that when there does finally come a general attempt to rescue paper profits, the results will be spectacular.

Serving a Vital Commercial Need, Honestly, Adequately and Economically

Bearing in mind that true credit is based on Character, Capacity, Capital.

The Mercantile Agency
R. G. DUN & CO.
17 Offices in Canada

STERLING APPRAISAL REPORTS

CERTIFIED *by* REGISTERED PROFESSIONAL ENGINEERS

Sterling Appraisal Co. Limited
9-11 E. Wellington St., Toronto

NEWSPRINT OUTPUT MAKES NEW RECORD

But Demand Continues to Keep Abreast of Available Supply

Evidence of a statistical nature, prepared by the News Print Service Bureau of New York, in connection with its report for the month of October, seems to bear out the opinion that a marked change in the newsprint industry has taken place during the last few weeks, in the matter of consumption as related to production.

Two facts are apparent from the statistics referred to, namely, that, although Canadian production in October was the largest in its history, demands from Canadian mills exceeded total production by more than 2,400 tons. Corresponding figures with regard to the industry in the United States show that shipments from mills in that country exceeded production by practically 7,000 tons—in other words, newsprint stocks at the mills in both countries are reduced by almost 10,000 tons.

In connection with the Canadian output for the month it is particularly interesting that for the first time in the history of the industry, Canadian output exceeded that of the United States for two successive months, and for the ten-month period to October 31, the United States production is less than 8,000 tons in advance of that in Canada. The two countries will probably end the year neck to neck.

Judging from more or less authentic statements in Canadian newsprint circles, practically all of the bigger mills have already disposed of their output for the coming year, and in more than one case it is understood that certain manufacturers are endeavoring to arrange to buy from others in order to meet the requirements of their customers. The reason for the increased demand is attributed, firstly, to the normal increase in the United States consumption; secondly, to the rapidly diminishing imports from Europe, and thirdly, to the substantial exports to Australia made possible by the recent trade treaty.

For the first ten months of the current year the United States produced 1,258,723 tons as compared with 1,250,974 tons made in this country. It seems likely that before the year is out, Canadian mills will have cut down this small lead.

Comparing production during the first ten months of 1925 with the same period of the preceding year, the Canadian mills produced 11 per cent. more than in 1924, whilst the American mills made only 2 per cent. more than in 1924. This possibly explains the strong demand for spot newsprint paper; the increase in advertising in the United States this autumn is said to be in the neighborhood of 15 per cent.. Actual increase in production is a little lower than this.

The following table shows production of newsprint in Canada and the United States for the first ten months of the present year, the totals for the ten-month period being compared with corresponding periods of preceding years:

	Canada (Tons)	U.S.A. (Tons)	Total (Tons)
October	137,506	135,225	272,731
September	124,704	121,019	245,723
August	120,656	120,902	241,558
July	121,664	121,113	242,777
June	124,209	128,430	252,639
May	130,013	129,026	259,039
April	128,911	132,661	261,572
March	126,267	127,511	253,778
February	115,624	113,831	229,455
January	121,420	129,005	250,425
Total 10 months—			
1925	1,250,974	1,258,723	2,509,697
1924	1,128,949	1,231,253	2,360,202
1923	1,058,463	1,246,990	2,305,453
1922	892,100	1,200,301	2,092,401

Shipments were as follows:—

	Canada (Tons)	U.S.A. (Tons)	Total (Tons)
Oct., 1925	139,982	142,204	282,186
Sept., 1925	124,689	127,409	252,098
10 months, 1925	1,250,748	1,258,515	2,509,263
10 months, 1924	1,120,403	1,226,253	2,346,656

"PAINT" EARNED 8.79 PER CENT.; OUTLOOK BRIGHT

Gross Slightly Lower, But Net Shows an Increase

From Our Own Correspondent.

MONTREAL.—The annual financial statement of the Sherwin-Williams Company of Canada, which was presented to the shareholders at the annual meeting held this week, showed a slight drop in the gross earnings for the year. Otherwise, the results for the year completed on August 31 were practically the same as during the preceding year.

The gross earnings were lower by $50,000, but bond interest and depreciation charges were lower also; this resulted in net earnings available for common stock of $351,727, as compared with $329,038 in 1924. This was the equivalent of 8.8 per cent., as compared with 8.2 per cent. earned on the common last year.

The working capital position of the company has been slightly bettered during the year; working capital now stands at $3,789,645, being an increase of some $175,000 from 1924.

In previous years, the company has not charged to depreciation the full amount allowable under the Income Tax Act, consequently the management deemed it advisable after paying its dividends to deduct this year from the income account a further amount of $200,000 for depreciation.

Few Balance Sheet Changes

There are few changes on the balance sheet of importance. Due to the special allowance for depreciation, the company's surplus is lower by some $80,000, but, on the other hand, the depreciation reserve has been increased by $293,734. Other balance sheet changes are but slight.

A comparison of the income accounts figures for the past three years, together with the working capital position of the company during the past two years follows:

	1925	1924	1923
Earnings	$ 907,239	$ 968,115	$1,073,607
Depreciation	133,850	202,603	83,529
Balance	773,389	765,512	990,078
Bond int.	119,997	122,570	124,781
Balance	653,392	642,942	865,297
To tax acct.	54,193	63,579	74,868
Balance	599,199	579,363	790,429
Pfd. divs.	240,276	239,750	239,750
Balance	358,924	339,613	550,679
Pension fd.	7,197	10,576	....
Net earn.	351,727	329,038	550,679
Com. divs.	240,000	240,000	240,000
Balance	111,727	89,038	310,679
Prev. surp.	4,008,036	3,919,001	3,628,323
Balance	4,119,763	4,008,039	3,919,002
Spec. deprec.	200,000	....	....
P. & L. bal.	3,919,763	4,008,039	3,919,002

Working Capital Position

	1925	1924
Current assets	$5,098,134	$6,861,295
Current liabs.	1,308,489	1,246,358
Working capital	$3,789,645	$3,614,937

Vice-President's Remarks

W. S. Fallis, vice-president and managing-director, in his remarks to the shareholders, said in part:

According to our usual custom, all renewals and repairs to properties have been charged to operating expenses, and the sum of $133,850 has been written off to reserve for depreciation. In addition thereto, since the full amount allowable under the Income Tax Acts had not been set up under depreciation reserve in all previous years, your directors have thought it wise to make a further provision for this purpose in the amount of $200,000, which has been reserved from the surplus account as at August 31, 1924. The total of the reserve for depreciation and renewals of plant now stands at $1,492,141, as shown on the balance sheet.

All inventories of raw and manufactured goods have been taken with great care, and have been priced on the basis of cost or market, whichever proved to be the lower.

The spirit of the personnel of the organization continues to be of its usual high standard, and the services rendered by all branches and departments of the business have had their share in contributing to the result for the year, which we hope will be considered satisfactory. All reports which reach your directors from the various branches of the organization throughout the country are reassuring, and we look forward to a continued advancement in the welfare of the company.

In order to adequately care for the expansion of the operations of the company, as well as to give additional space which has been needed for some years, a reinforced concrete building is in process of construction at the Centre Street plant of the company at Montreal, which will increase the floor space available at that plant by one-third.

O'Keefe's Brewery Will Develop Export Trade

O'Keefe Brewing is to operate under a Dominion charter. The company experienced trouble in collections and wants to develop an export trade, which was difficult while operating under an Ontario provincial charter. Sir Henry Pellatt is quoted as saying that something new in beer legislation is essential, otherwise every brewing concern in the province must go out of business. One of the things which has hit the brewer more than anything else, has been the issue of 30,000 or more free licenses in the province, to individuals, to make home brew. The beer drinkers are making their own strong beer, because 4.4 does not satisfy them any more than 2.5 did.

Brazil's Rainy Season Now Close at Hand

Brazilian Traction shares showed an easing in price this week, due to the weakness which developed in the price of milreis, which declined to below 14½. The outlook in South America is said to be becoming brighter, but the important factor for Brazilian for the present will be the extent of the rainy season, which usually comes in December. During the past year, there was considerable drought and earnings suffered as a result of the necessity to use steam power.

U.F.O. Handles a Big Volume of Business

During the past eleven months the United Farmers Co-Operative Company, Toronto, has handled live stock to the value of $9,470,167, 2,500,000 pounds of creamery butter and 1,500,000 dozen eggs. In addition, the seed and feed department disposed of 3,500,000 pounds of flour, besides seed and feed grains and many car loads of hay, straw, potatoes and turnips. In the farm supplies department the sales included 3,000,000 pounds of binder twine, 175,000 rods of wire fence and 500 cars of coal, and in addition quantities of shingles, posts, roofing, rope and cement.

National Cement Co. Operates Machinery

MONTREAL.—This week the National Cement Company is to begin operations at its plant in Montreal East. All the machinery is now in place and power has been turned on to the machines in order to ensure that all the components are properly co-ordinated and in working order. All is now in readiness and the crushers start this week on their long grind. These machines will build up a reserve of limestone and it will require about another four weeks before the pulverised rock will reach the kilns.

Problem of Snow Transportation is Solved by New "Snow Motor"

In Canada we have come to accept our country as 3,600 miles in length, but, practically speaking, only two to three hundred miles in width. The vast northern areas, where the snow lies deep a large part of the year, have aroused the imagination only of trappers and of such men as Stefansson. Stefansson has always been an enthusiast for the north country, and has conjured up pictures of fine possibilities in the north, especially in the provision of food supplies for the world. The big problem in the past has been that of transportation. Railways cannot operate through the far north. Automobiles and horse-drawn vehicles are equally futile. Now, however, automotive engineers are conquering the snow, and a group of men in Detroit are now producing a Snow Motor which demonstrations have shown rides as lightly and as rapidly over the snow as a tractor does over a gravel road. Concerning the Snow Motor, Viljhalmur Stefansson says that it is certain to speed up the colonization of the north land, into which railways have not yet penetrated and where it would not be commercially possible to extend railways at present. He considers snow transportation to be of the greatest political and social significance to Canada.

While snow transportation may play its part in the future in the widening of Canada's habitable area, it is of definite importance to-day for the pulp and paper, the lumbering and mining industries. Some hundreds of Snow Motors are going this year into Northern Ontario and Northern Quebec mining camps, into Quebec and New Brunswick lumbering areas, into Northern Manitoba, into British Columbia, and elsewhere. The Snow Motor rides over the deepest snow fall without sinking. It can draw heavy loads behind it. There are two types of Snow Motors, one used as an automobile in place of the usual wheels and capable of attaining 28 miles an hour, and another to be used with a tractor engine, which can attain a speed of 12 miles an hour and to be used for industrial purposes.

At the present time, the Snow Motor is being manufactured in Detroit, but it is planned to establish a Canadian plant in Toronto.

The present active head of the company manufacturing the motor is A. F. Knoblock, well-known automotive engineer of Detroit, and the board of directors includes representatives of fifteen of the biggest motor car makers.

DEVELOPING THE EMPIRE OF THE NORTH

Transforming a Wilderness into a Land of Plenty

Within a short space of time Northern Quebec and Ontario have been largely transformed from an untracked wilderness into vast productive areas.

Few of those who have not been in the North can realise the change that has taken place. The fine modern towns with their broad paved streets, their schools and churches, their great paper mills, mining plants and splendid farming areas, all bespeak permanence and prosperity.

The corner stone of this Northern industrial growth is Developed Water Power. It is the key resource of the North. The other basic industries being developed there owe their success largely to the economy and dependability of hydro-electric power.

NESBITT, THOMSON & COMPANY
LIMITED
305-7 Bank of Hamilton Building, TORONTO
Montreal Hamilton Winnipeg

Newfoundland Government Railway

Announcing the Introduction of Our New Steamer "Caribou" on Service Between North Sydney, N.S., and Port Aux Basques, Nfld.

SS. "Caribou"

Specially designed and ideally suited to serve the requirements of this Service the "Caribou" offers to the Travelling Public every luxury of modern transportation equipment.

Steamer leaves North Sydney at 8 p.m. Tuesdays, Thursdays and Saturdays, arriving at Port aux Basques the following morning and there connecting with express train for all points in Newfoundland.

THE SHERWIN-WILLIAMS CO. of Canada, Limited

Annual Report of Board of Directors for the Year Ending August 31st., 1925

TO THE SHAREHOLDERS:

On behalf of your Directors, I have pleasure in submitting the Balance Sheet of your Company, showing Assets and Liabilities at the close of its fiscal year, August 31st, 1925.

Your Auditors, Messrs. Price, Waterhouse & Company, have made an examination of the books and accounts of the Company, and their certificate and report is submitted herewith.

According to our usual custom, all renewals and repairs to properties have been charged to Operating Expenses, and the sum of $133,850.40 has been written off to Reserve for Depreciation. In addition thereto, since the full amount allowable under the Income Tax Acts had not been set up under Depreciation Reserve in all previous years, your Directors have thought it wise to make a further provision for this purpose in the amount of $200,000.00, which has been reserved from the Surplus Account as at August 31st, 1924. Total of Reserve for Depreciation and Renewals of Plant now stands at $1,492,141.82, as shown on the Balance Sheet.

All inventories of raw and manufactured goods have been taken with great care, and have been priced on the basis of cost or market, whichever proved to be the lower.

The spirit of the personnel of the Organization continues to be of its usual high standard, and the services rendered by all Branches and Departments of the business have had their share in contributing to the results for the year, which we hope will be considered satisfactory. All reports which reach your Directors from the various Branches of the Organization throughout the country are re-assuring, and we look forward to a continued advancement in the welfare of the Company.

In order to adequately care for the expansion of the operations of the Company as well as to give additional space, which has been needed for some years, a reinforced concrete building is in process of construction at the Centre Street plant of the Company at Montreal, which will increase the floor space available at that plant by one-third.

The earnings for the past year before providing for Depreciation, Interest on Bonds and Income Tax, amounted to $907,239.73 and have been dealt with as follows:

Reserve for Depreciation and Renewals of Plant	$133,850.40	Pensions Paid	7,197.16
Interest on Bonds	119,997.40	Provision on acct. of Inc. Tax	54,193.81
Dividends on Preferred Stock	240,275.00	Balance to Surplus Account	111,725.96
Dividends on Common Stock	240,000.00		$907,239.73

Respectfully submitted on behalf of the Board, WM. SHEPHERD FALLIS, Vice-President.

Montreal, November 16th, 1925.

The Sherwin-Williams Company of Canada, Limited and Subsidiary Companies

Consolidated Balance Sheet, August 31st, 1925

ASSETS

Property Account—		
Land & Bldgs., Leaseholds Mach'y. & Equipment, Formulæ, Trade Marks and Goodwill		$8,692,143.80
Investments—		
In Pfd. Stock of Lewis Berger & Sons, Ltd., £367,799-0-0 at $4.86 2/3	$1,789,955.12	
Other Investments	320,400.00	
		2,110,355.12
Sinking Fund Deposits—		
Cash and Bonds in Hands of Trustees		149,135.68
Current Assets—		
Inventories	2,202,119.01	
Accts. & Bills Receivable, less Reserve	1,903,420.75	
Cash	992,594.74	
		5,098,134.50
Insurance and Taxes Prepaid, Etc.		37,690.68
		$16,087,459.78

LIABILITIES

Capital Stock —			
Seven Per Cent. Cumulative Preferred—			
Auth'riz'd—40,000 Shares of $100.00 each		$4,000,000.00	
Issued—34,350 Shares of $100.00 each		3,435,000.00	
Common—			
Authorized and Issued — 40,000 shares of $100.00 each		4,000,000.00	
			$7,435,000.00
Six Per Cent. First Mortgage Sinking Fund Gold Bonds Due July 1st, 1941—			
Authorized		$4,000,000.00	
Issued		$2,450,000.00	
Less: Bonds deposited with Trustees for redemption of Bonds of The Canada Paint Co., Ltd., and Lewis Berger & Sons, Limited	$259,500.00		
Bonds deposited with Trustees for Sinking Fund Purposes and Cancelled	556,400.00		
Bonds held in Treas.	62,700.00	878,600.00	
			1,571,400.00
Mortgage Bonds of the Canada Paint Company, Ltd.			340,666.67
Current Liabilities			
Accounts Payable		$736,534.48	
Interest Accrued on Bonds		23,798.89	
			760,333.37
Balance Payable to The Carter White Lead Company of Canada, Limited, on Current Account—			548,155.73
Reserves:			
For Depreciation & Renewals of Plant		$1,492,141.82	
For Pensions		20,000.00	
			1,512,141.82
Surplus as per Statement Attached			3,919,762.19
			$16,087,459.78

Consolidated Statement of Surplus and Profits, Aug. 31st, 1925—

Earnings for the year ending Aug. 31, 1925, before charging Bond Int. and before providing for Deprec. & Inc. Tax		$ 907,239.73
Deduct:—		
Pensions Paid to Retired Employees	$ 7,197.16	
Depreciation	133,850.40	
Bond Interest	119,997.40	
Provision on Acct. of Income Tax	54,193.81	315,238.77
		$ 592,000.96
Surplus as at Aug. 31, 1924	4,008,036.23	
Less: Additional Provision for Depreciation, etc.	200,000.00	3,808,036.23
		4,400,037.19
Deduct:		
Dividends paid during year—Preferred	240,275.00	
Common	240,000.00	480,275.00
Surplus as at Aug. 31st, 1925		$3,919,762.19

AUDITOR'S REPORT TO THE SHAREHOLDERS

We have examined the Books and Accounts of the Sherwin-Williams Company of Canada, Ltd., and its Subsidiary Companies for the year ending August 31st, 1925, and have obtained all the information and explanations which we have required, and we certify that, in our opinion, the above Balance Sheet at August 31st, 1925, is properly drawn up so as to exhibit a true and correct view of the state of the combined affairs of the Sherwin-Williams Company of Canada, Limited, and its Subsidiary Companies, according to the best of our information and the explanations given to us and as shown by the Books of the Companies.

PRICE, WATERHOUSE & CO.,
Montreal, November 6, 1925. Auditors.

Approved on behalf of the Board,
WM. SHEPHERD FALLIS,
WILLIAM C. COTTINGHAM, Directors.

BESCO'S GROWTH COMPARED WITH A STURDY TREE

Began in Small Way and Has Spread Roots Widely and Deep

MONTREAL.—Referring to the growth of the industry controlled by the British Empire Steel Corp. as that of a slow growing but sturdy tree, the Besco Bulletin issued by the company, reviews its history as follows:

The slow growing tree is the sturdiest, and the one with the strongest roots is most likely to weather the gales and become a thing of strength, and a source of comfort to those who live in its shade.

The industry that is now controlled by the British Empire Steel Corporation possesses those qualities of growth. It began in a small way and grew slowly until it became strong and sturdy; it spread its roots widely and deep, and it has weathered storms that might have shattered one of younger and weaker growth. It provides a comfortable livelihood for a multitude of people.

It was planted by the General Mining Association, an English company, which took over the lease of all the minerals in Nova Scotia from the Duke of York and commenced to mine coal in Pictou and in Cape Breton about a hundred years ago. By the aid of the monopoly which it enjoyed the association was able to lay a good foundation and to build up a more stable business than might have been possible if it had been subjected to the chances that usually have to be met by an industry in its initial stages. When the time came for the monopoly to be terminated in the general interest, the association was so firmly established that it was not hurt by the competition which followed the establishment of rival companies which were able to acquire mining rights and enter the field. By this time there was a larger demand for coal and there were opportunities for a larger development than the association was able or willing to undertake. But the very freedom which was given to enterprise after a time brought difficulties in its train. There were soon too many companies for the amount of business that could be got. An important outlet for coal which had existed in the New England States was lost and for a time growth was hindered; but the roots of the tree were firmly set, and it only required proper husbanding and pruning to give it renewed vigor.

Dominion Coal Formed

These came with the formation of the Dominion Coal Co. in 1893 when all the companies operating in the South Cape Breton field were consolidated. New capital was brought in and a number of the most important mines were equipped with more effective machinery, and better means of transportation were provided. Some of the less vigorous branches were lopped off so that the growth could be concentrated in the main trunk and sturdier branches.

The result was the disappearance of the Low Point, Lingan and Barrachois Co. under which the General Mining Association carried on its operations south of Sydney Harbor, the Sydney & Louisburg Railway and Coal Co., with mines at Reserve, the Glace Bay Mining Co. at Little Glace Bay, the Caledonia Coal Co. at Big Glace Bay, the International Co. at Bridgeport, the Gowrie Mines at Port Morien, the Gardner and Lorway and other small mines.

Reserve, Caledonia and International properties were improved and new mines were put down. The most notable of these was Dominion Number Two which was, and until recently continued to be, the largest and most thoroughly equipped soft coal mine on the continent; it tapped two important seams, known as the Phalen and Harbour respectively. Even now it only yields precedence to Number One B—the new big mine at O'Neill's Point. A standard gauge railway of the highest grade was built to connect all the mines with Sydney Harbor, utilizing part of the road previously in use by the International Co. This was soon extended to Louisburg where winter shipments could be carried on without interruption from ice. New shipping piers were constructed in both harbors capable of berthing the largest types of coal carrying ships.

New markets were developed and discharging and distributing stations were established at important points such as Halifax and St. John, and at Montreal and other points on the St. Lawrence, and a fleet of specially constructed ships was chartered.

For a time through the medium of parties who had a common interest, a considerable quantity of coal was sold to the New England Gas & Coke Co. which had recently established large works near Boston to supply that city and its environs with gas for lighting and heating purposes. This, however, did not prove to be a practical proposition and after a fair trial, extending over some years, it was abandoned.

Newfoundland's Ore Deposits

About this time the wonderful possi bilities of the iron ore deposits in Newfoundland began to be apparent and led to the establishment of the Dominion Iron and Steel Co., with the purpose of utilizing some part of the ore from these deposits in conjunction with some of the coal from the Cape Breton mines, these locations being sufficiently near together to make such an operation quite practicable.

Stimulated by assistance from the government of Canada during the earlier period of its existence the Dominion Iron and Steel Co. became an important factor in providing an outlet for slack coal, the disposal of which is a serious problem in connection with the mines in Cape Breton. In this development the Nova Scotia Steel & Coal Co. had a share. In the year 1900 that company acquired the last remaining property of the General Mining Association at Sydney Mines on the north side of the harbor and established there a battery of coke ovens, a blast furnace and steel works.

The period which followed these events and which ended a year or two after the conclusion of the great war, was marked by great activity in the Nova Scotia coal trade. An important new field was developed in the Lingan region where several collieries were put down and new openings were made in other places.

The Dominion Coal Company and the Dominion Iron and Steel Company became closely associated by the formation of the Dominion Steel Corporation which acquired the property of the Cumberland Railway and Coal Company at Springhill and after solving the serious difficulties which had overtaken the operation of the mines there, put them on a sound and satisfactory basis.

During the war the coal mines and steel works in Nova Scotia were able to give the greatest possible assistance to the allies by providing large quantities of coal to ships engaged in transporting troops and materials, and of steel for the manufacture of shells and other munitions.

It was as this period was coming to an end, and conditions of extreme difficulty were imminent that the British Empire Steel Corporation was formed, with the object of consolidating and strengthening the coal and iron and steel industry in Nova Scotia.

The new corporation, which took form in 1921, was immediately faced with those difficulties. Restricted demand for the materials which are produced by the associated companies would have compelled them to reduce operations if they had continued their existence as separate corporations. The difficulties arising from the necessity for deflation would have been just as great and co-ordination of effort and the elimination of wasteful competition would not have been possible.

BRITISH TARIFF TO HELP CANADA BY PREFERENCE

(Continued from page 1)

and in two she has, or will have shortly, exceptional advantages.

The two articles which are of most importance to this Dominion are wrapping and packing paper and aluminum hollow ware. Of the latter there is no explicit mention among the exports in the trade returns, but in view of the plans which the Aluminum Company of America has announced for its new plant in Northeastern Quebec, there would appear to be great possibilities for the product of that plant in the British Isles, should a duty be imposed on these articles and a preference given, as would be expected, by the British parliament. At present the aluminum exports of Canada are chiefly in the form of bars and blocks, though there is a fair-sized sale of various aluminum manufactures in other countries. Of aluminum in bars and blocks the total exports from Canada to all countries for the five months ending with August were valued at $2,252,427; to the United Kingdom there went of this raw material $14,792. About one-fifth of the brush exports, or $7,140 went to the British Isles; while that market absorbed about one third, or $4,912, of the sales of brooms and whisks. Newfoundland was the largest purchaser of brushes and one of the two largest buyers of the other articles; while British South Africa bought considerably of brushes and the British West Indies of brooms and whisks.

Cutlery includes a good many classes of goods which we do not at present export; but we do quite an external trade in razors, in skates and in cutlery, which is not otherwise described. In razors our total exports were $439,823; Britain took $30 967; but Denmark was a much better customer, buying $327,030 worth. The sales of skates were valued at $6,665, New Zealand being the largest buyer, while the exports of cutlery not otherwise described were only $1,093, of which only $50 worth went to Great Britain.

Enamelled hollow ware was exported to the value of $7,312, Newfoundland and New Zealand being the best customers, although $205 worth went to the United Kingdom.

Brooms and brushes appear separately in the trade returns, the latter bulking more largely in the figures. The total exports of brushes—for the period which has been used throughout the article—were valued at $36,878, and of brooms and whisks $1,009,425 worth; while the two other largest customers were Germany and Japan. For the same period — for which all the figures in this article are given— the total exports of aluminum manufactures were $197,971, of which $11,684 went to Britain; while the other largest customers were Japan and Italy.

Wrapping and packing paper play a relatively small part in our exports of paper at present, but if there is a preference on them in the British market, it will present an opportunity for a large expansion. Out of a total export of $41,435,619 for all kinds of paper, only $1,162,368 was of the wrapping and packing variety; while of the same class of goods the United Kingdom took only $388,368. Australia and British South Africa also bought largely of this product.

Of gloves we export both those made of leather and those produced from textiles. Of leather gloves our exports were $10,653, of which nearly all went to the United Kingdom. Of woven gloves none went to Britain, though there was an export of $66,850, the United States and New Zealand being the largest purchasers.

UNLISTED SECURITIES

Industrials, Utilities, etc.—	Bid	Asked
Brooks Steamer (1 pref, 2 com.)	4½	7
Can. Machinery, com.	4	7
Can. Machinery, pref.	14	18
Can. Westinghouse, com.	150	155
Cockshutt Plow, pref.	42	44
Cosgrave Brewery	4¼	5
Dom. Combing (1 pref., 2 com.)	32	40
Dom. Power, pref.	92½	95
English Electric, pref.	54	57
Famous Players, com.	11	13
Gunns, Ltd., pref.	29	32
Imperial Tobacco	6	7
King Edward Hotel, Deb. A	75	80
King Edward Hotel, Deb. B	55	60
K. & S. Tire, pref.	7	11
Loew's Toronto, com.	27	30
Loew's London, com.	2⅛	2½
Loew's Ottawa, pref.	13	17
Massey-Harris	63½	66
Mount Royal Hotel, com.	6	7
Mount Royal Hotel, pref.	36	38
North Mexico Power, com.	43¼	46
R. Simpson, pref.	99	101
Willard's, pref.	73	..
Loblaw Groceterias, com.	46	..
Capital Life 25% Paid	22	25
Continental Life 20% Paid	32	
Crown Life	120	
Excelsior Life 26% Paid	39	
Great West Life	340	370
Imperial Life	160	
Monarch Life 10% Paid	15	17
Manufacturers Life 20% Paid	75	
Montreal Life 20% Paid	22	
National Life 25% Paid	47	45
Re-Insurance	12	15
Security Life 40% Paid	33	37
Sovereign Life 25% Paid	22	25
Sun Life 35% Paid	155	..
Sun Life 50% Paid	218	..
Travellers' Life 20% Paid	22	..

The Stock Market Record

WEEK ENDING NOVEMBER 17

Banks—	Div. Rate	Yield Nov. 16	High for wk.	Low for wk.	Close Nov. 17	Close Nov. 10	Sales for wk.	Range 1925 High	Range 1925 Low
Commerce	12+1	5.82	227	222	223½	227½	394	229¼	194¾
Can. Nationale	10	6.01	151½	151½	151½	153	10	153¾	148
Dominion	12+1	6.53	216	215½	216	215½	84	216	189
Imperial	12+1	6.18	210	207½	210	208	166	210	184
Montreal	12+2	5.40	261	259	259	263	77	271	240
Nova Scotia	16	5.60	285	283	284½	263	136	285	262
Royal	12+2	5.60	250	248	249½	250½	165	255½	227¼
Standard	12	6.12	196	194	195½	194	56	196	170
Toronto	12	5.52	217	215½	217	215½	15	217½	192¾
Paper—									
Abitibi, com.	4	5.71	70	67	69½	68	3125	75½	62
Do. pref.	7	6.63	..	..	..	..	..	108	101
Belgo-Can., com.	6	6.00	100	98	100	98	185	100	80
Do. pref.	7	7.17	99½	97½	97½	97¾	427	99½	95
Brompton		....	24	21¼	24	23½	899	33¼	18½
Laurentide	6	7.54	80	78	78⅛	79	2137	85⅞	73
Price Bros.	2	4.02	49¾	49	49	49	259	55⅞	35⅜
Prov. Paper, com.	6	5.84	102½	102½	102½	105	52	111¾	88¾
Do. pref.	7	7.00	100	100	100	101	10	102	95
Smith, Howard, com.		....	38½	36	38½	38	732	47	21¼
Do. pref.	8	8.42	95	94	95	96	500	106	69½
St. Maurice Paper	6	5.75	104¼	93	101½	93	5900	104¼	80
Spanish River, com.	7	6.93	101	96½	99⅞	97	2296	111¾	92½
Do. pref.	7	6.14	114½	112½	113½	113	707	127	110½
Wayagamack		....	64½	60	62	60	1280	64½	34½
Steel and Steel Industries—									
B.E. Steel, com.		....	3½	3	3	3¼	645	4⅜	1½
Do. 1st pref.		....	32	30¾	31	31	248	36	22
Do. 2nd pref.		....	10½	9⅞	9⅞	10½	1805	14⅜	6¾
Can. Car & Found., com.		....	36	34	34	39	355	57⅜	34
Do. pref.	7	8.86	79	78	79	78½	180	90¼	78
Canada Iron, com.		....	..	..	..	..	..	8	8
Do. pref.		....	..	..	..	..	..	35	32
Can. Fairbanks, pref.		....	..	..	..	..	..	46	46
Can. Foundries, com.		....	..	..	..	..	..	35	15
Do. pref.		....	..	..	..	..	..	50	40
Can. Locomotive, com.		....	..	..	..	..	..	71⅜	35
Do. pref.	7	9.33	77	75	77	76	40	90	73½
Dominion Coal, pref.		....	..	..	..	..	..	50	39¾
Dominion Iron, pref.		....	29	29	29	28½	1	30	20
Dominion Bridge	4	4.12	97	95	97	95½	1595	104	77
Dominion Radiator	7	6.93	102	102	102	101	10	102½	98½
Dom. Steel Corp., pref.		....	32	32	32	32	10	38	20½
N.S. Steel, pref.		....	..	..	..	..	..	32	21
Ontario Steel, com.	4+1	7.04	..	..	..	..	..	75¼	41
Do. pref.	7	7.07	99	99	99	98	15	100	91½
Steel of Canada, com.	7	7.46	95	90½	93⅜	92¼	1999	95½	80
Do. pref.	7	6.07	115¼	114¼	115	115	130	115½	105
Milling—									
Canada Bread, com.		....	61½	60¾	60¼	62	210	65	39¾
Do. pref. (A)	7	6.60	107	105⅞	107	106¼	99	107½	100
Do. pref. (B)	7	7.33	95½	94½	95½	95	139	96	85¾
Inter. Milling, pref.	7	6.86	103	102	102	101	208	103	96¾
Lake of Woods, com.	12	6.93	173	172	173	173	181	193	169
Do. pref.	7	6.03	116	116	116	115	10	125½	115
Maple Leaf, com.		....	95	93	95	93	80	100	80
Do. pref.	7	6.79	104	103	103	103	32	104¼	96
Ogilvie Flour, com.	5+3	4.76	168	168	168	170	68	180½	135
Do. pref.	7	5.78	121	121	121	120	5	127	120
Shredded Wheat, com.	10	6.13	163	162	163	163	93	168⅛	148
St. Law. Flour, com.		....	37	36	36	37	85	65	27
Do. pref.	7	8.53	82	80	82	80	52	82	78½
West. Can. Flour	8	6.66	..	..	..	..	..	120	104½
Utilities—									
Bell Telephone	8	5.71	140	138½	139¾	139½	399	142	132¾
Consumers Gas	10	5.76	174	173	173½	173	36	175¼	164
Inter. Utilities (B)		....	8	8	8	9	10	9¼	7¾
Jamaica Pub. Ser., pref.	7	7.14	98	97½	97½	97	21	98½	96¼
Kaministiquia	8	5.71	140	138	140	140	162	140	100
Laurentide Power	5	4.85	103	103	103	105	20	108	93¾
Mackay, com.	7	5.18	135	134½	135	135	14	142	114½
Do. pref.	4	5.63	71½	70	71	71	295	77¾	67
Mexican Light, com.		....	33	31¾	31¼	28½	200	34	22
Do. pref.		....	62	61⅛	61⅛	63	60	64	57
Mont. L. H. & Pr. Cons.	8	3.80	211	206	208	208¼	10251	220	152
Montreal Telegraph	8	6.15	52	51	52	51	40	55	45
Ottawa L. H. & P.	6	6.06	99	98	98	98	60	103½	95
Do. pref.	6½	6.37	102¼	102	102	102	85	109	100
Quebec Power, com.	5	4.63	109	108	108½	108	171	119	85
Do. pref.	7	6.14	114	114	114	114½	12	115	103½
Shawinigan	8	4.96	162	161	162	162	356	175	130½
Shawinigan Rights		....	3⅛	3	3⅛	3⅛	3577	3½	3
South Can. Power, com.	1.00	....	79	79	79	80	50	84	67
Transportation—									
Can. Pacific Rly.	10	6.68	150½	149	149½	149	205	152¼	137
Can. Steamships, com.		....	11½	11	11	11	334	13¾	10
Do. pref.		....	54½	52¾	53½	53½	1710	64½	42
Tractions—									
Barcelona		....	28	26	27⅛	26¼	1312	28	18½
Brazilian, com.	4	5.19	78	74⅛	76	75	19801	83½	49¼
Do. pref.	6	6.15	97½	97½	97½	97½	30	97½	95
Detroit United		....	5	2½	5	3	835	29	¼
Duluth-Superior		....	31½	30½	30½	33	145	42	29
Illinois Traction, pref.	6	6.25	..	..	..	..	..	96	92
Montreal Trams.	10	5.58	179	179	179	178	10	187	160
Ottawa Traction	4+1	7.81	..	..	..	..	..	66⅜	61
Porto Rico Rlys., com.		....	41	38	40	39	239	46⅜	35¼
Do. pref.	7	7.86	89	88	89	89	91	91¼	84
Quebec Rly.		....	..	..	..	..	..	24⅜	20
Twin City, com.	4	5.49	73½	70½	71½	71¼	2365	73¼	58
Do. pref.	7	....	..	..	..	..	..	97	94½
Winnipeg Elec., com.	1	....	50	44¼	48	46½	5248	53⅜	35⅛
Do. pref.	7	7.29	96	93	96	95	97	99½	87
Can. Conn. Cotton, pref.	1	....	46	46	46	46	5	50	39
Can. Converters	7	7.88	89	88¼	89	88¼	55	92	80
Can. Cottons, com.	8	6.66	120	120	120	120	5	124½	106
Do. pref.	6	6.25	..	..	..	..	..	96½	90
Can. Woollens, com.		....	..	..	..	..	..	15	5½
Do. pref.		....	..	..	..	..	..	61	40
Dom. Textile, com.	5	5.49	91	87	89½	88	1366	95½	66
Do. pref.	7	5.90	118½	118½	118½	117½	15	118½	111
Monarch Knit., com.		....	..	..	..	..	..	45	30
Do. pref.		....	55	55	55	56	35	80	45
Montreal Cottons, com.	6	5.94	..	..	..	..	..	105	95
Do. pref.	7	6.14	114	114	114	114	5	117½	109
Penmans, com.	8	4.44	180	177	179	180	77	185	144
Do. pref.	6	5.91	..	..	..	..	..	105⅜	99
Wabasso Cotton	4	6.15	..	..	..	..	..	66½	55¼
General Industrials—									
Amer. Salesbook, com.	4.00	6.89	58	57	58	58	50	60½	38
Do. pref.	7	7.50	93½	93	93½	93½	30	94	88
Asbestos, com.	6	6.21	98	91	97	95½	2987	98	35
Do. pref.	6	5.21	117	114¾	116	114	2610	117	73½
Atlantic Sugar, com.		....	33¼	26	30	27¾	6590	37½	13
Do. pref.		....	80	79⅞	79⅞	87	95	88⅛	40
Bird & Son, pref.	7	....	..	..	..	..	..	83¼	80
B.C. Fishing		....	59	54½	56¼	57⅛	2190	59½	19
Burt, F. N., com.	12	4.83	62⅜	61	62¼	62	838	67	44
Do. pref.	7	2.76	..	..	..	..	..	253	142½
Brantford Cordage, pref.	2	....	28	26	27⅛	26¼	532	28	25
Can. Canners, com.		....	15	13½	14	14⅜	197¼	15	11½
Do. pref.		....	69	66	67¼	68⅜	1661¼	69⅜	53¾
Canada Cement, com.	6	5.66	106½	104½	105¼	107	498	114	90½
Do. pref.	7	6.11	115½	114½	115	115	75	117½	107
Can. Gen. Electric, com.		....	..	..	..	..	..	55	53
Do. pref.	7	6.14	58	56	57	55½	186	60	50
Can. Indust. Alcohol	1.28	7.31	17¼	15½	17¾	15½	10901	20½	14
Canadian Salt	8	5.51	145	140	140	145	95	154½	112
Carr Factories, com.		....	..	..	..	..	..	2½	1
City Dairy, com.	12	3.61	83	82	82	84	51	90½	65
Do. pref.	7	6.48	108	108	108	108	10	110	104⅜
Christie Biscuits, com.		....	62	61½	61½	62	175	64¼	31¼
Do. pref.	7	5.93	..	..	..	..	..	118	109½
Cons. Rubber, pref.	7	....	..	..	..	..	..	90	85
Crows Nest Coal	6	....	51	51	51	50⅜	25	55½	35
Cuban Can. Sugar, com.		....	3½	3½	3½	3½	75	10	3½
Do. pref.		....	..	..	..	..	..	44½	25
Dom. Canners, com.	7	....	..	..	..	..	..	136	56½
Do. pref.	7	....	..	..	..	..	..	112	94
Dom. Glass, com.	7	6.79	103	100	103	101¼	356	116⅛	100
Do. pref.	7	6.14	114	114	114	113	40	114	110½
Dominion Stores, com.	1.00	....	65	65	65	66½	75	72¼	28½
Do. pref.	8	7.47	..	..	..	..	..	109	97½
Do. Rights		....	11½	11	11	10⅞	23	12½	4
Wm. Davies (A)		....	35½	33	34½	33½	340	36	24
Dodge Bros., com.		....	..	..	..	..	..	46½	22
Do. pref.	7	7.91	..	..	..	..	..	89½	80¼
Eastern Theatres, com.		....	..	..	..	..	..	19½	14
Do. pref.		....	..	..	..	..	..	88	70
Ford Motor	10	....	..	..	..	..	..	512	488
Gilman, com.	6	5.94	..	..	..	..	..	108¼	80
Do. pref.	7	6.16	..	..	..	..	..	116	100
Goodyear Tire, pref.	7	7.44	95½	94	95½	94	363	100½	90
Gould Mfg., com.	6	6.00	..	..	..	..	..	100	90
Frontenac Brew., com.		....	..	..	..	..	..	120	54
Do. pref.	7	....	..	..	..	..	..	120	100
Holt, Renfrew, pref.	7	8.48	84	82½	84	82½	60	82½	65
King Ed. Hotel		....	..	..	..	..	..	27	20
Lyall Construction		....	19	19	19	20	10	29	11
National Brew., com.	4	7.69	52¼	50½	51½	51	6681	68	42
Do. pref.	7	6.54	107	107	107	106	100	110	98
National Brick, com.		....	..	..	..	..	..	18	15
Do. pref.	7	9.82	71¼	71¼	71¼	72¼	15	79½	70
Pacific Burt, com.	6	6.74	89	89	89	90	25	96	87
Do. pref.	7	6.94	..	..	..	..	..	107	100½
Port Hope Sanitary, com.		....	..	..	..	..	..	85	53
Do. pref.	7	7.07	..	..	..	..	..	100	88
Pure Gold Mfg.	50c	....	..	..	..	..	..	27	21¼
Rogers, Wm., com.		....	50½	50	50½	50	32	65	50
Do. pref.	7	7.60	92	92	92	92¼	45	95	88
Russell Motor, com.		....	..	..	..	..	..	44¼	24
Do. pref.	7	8.23	85	85	85	86¼	5	88	74¼
Sawyer-Massey, com.		....	..	..	..	..	..	1	1
Do. pref.		....	..	..	..	..	..	20⅛	5
Sherwin-Williams, com.	6	4.83	124	124	124	124	5	130	115
Do. pref.	7	6.39	..	..	..	..	..	110	104¾
Sterling Coal	4	10.00	40	40	40	40	10	53	39
Tooke Bros., com.		....	..	..	..	..	..	8	8
Do. pref.		....	..	..	..	..	..	62⅛	37
Tuckett Tobacco, com.	4	6.06	66	66	66	68	42	70	59
Do. pref.	7	6.86	102	102	102	102	45	103	96¼
Woods Mfg., com.		....	40	38	40	30	70	49	20
Do. pref.	7	9.42	..	..	..	..	..	75	64⅞
Western Grocers, com.		....	14	12	13	14	270	14½	4½
Do. pref.		....	54	48⅛	52	50	408	54	38
Trust and Loan—									
Canada Landed	10	5.87	93	93	93	92½	13	97	80
Canada Permanent	12	5.88	204	202½	204	201¼	78	208	190
Colonial Invest.	6	....	5	5	5	4⅝	13	5½	4
Hamilton Prov.	10	8.41	..	..	..	..	..	156	154
Huron & Erie	7	5.50	..	..	..	..	..	130	125
Landed Banking	9	6.20	..	..	..	..	..	145	142
Montreal Loan	12+1	6.50	..	..	..	..	..	50	48
National Trust	12	5.82	225½	225½	225½	226	4	226	210
Ontario Loan	11	5.23	..	..	..	..	..	105	99
Real Estate Loan	7	8.23	..	..	..	..	..	88½	85
Toronto Gen. Trusts	12	5.58	215¼	215¾	215¼	215	4	215¼	108
Toronto Mortgage	10+1	5.07	..	..	..	..	..	92	87¾
Union Trust	7	7.77	..	..	..	..	..	90	85⅛

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30¢ HERE

FAMOUS CIGARETTES

Arnold Bros., Limited

7% Cumulative Sinking Fund Prior Preferred Stock

At $100 per share and accrued dividend. With bonus ½ share no par value, Common Stock.

An established chain store system, operating in Toronto and handling meats, groceries and provisions on the cash and carry plan.

Gross sales have grown from $365,000 in 1918 to $2,800,000 (estimated) for 1925—an increase of 800% in 8 years.

The number of stores is to be trebled (5 to 15).

Estimated profits for 1926, $192,000, equal to 5⅛ times preferred stock dividend, and after preferred dividends, taxes and depreciation equal to $1.50 per share on the Common Stock.

Complete information on request.

Rice, Gibson & Co., Limited

25 Melinda St., Toronto

Elgin 3135-6

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EXACTLY THREE HUNDRED DOLLARS SEVEN CENTS

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The Todd Protectograph replaces the unsafe handwritten amount line with an amount line in indelible ink of two colors shredded through and through the paper. It gives positive protection against pen changes. Erasures become impossible because of this shredding of the paper and the indelible ink forced into it. The protectograph works easily and quickly.

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No altered Greenbac Check has ever been presented without detection. They ensure absolute protection against the brainiest check manipulators.

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Procrastination may be the thief of your hard won funds. Mail the coupon for conclusive evidence of the merits of this system.

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Dealer in the Products of

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Wood Boards and Newsprint Paper

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Largest Manufacturers of Paperboard in Canada.
Mills at Montreal, P.Q., Campbellford, Ont., Frankford, Ont.
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The Wabasso Cotton
Company, Limited

THREE RIVERS, P. Q.

Manufacturers of Fine White Cotton,
also Spinner's Fine Counts of Yarns

Woods Manufacturing
Company, Limited

Jute and Cotton Bags
Hessians, Buckrams
Paddings and Twine
Tents
Flags
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Clothing and Cotton Fabrics

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WINNIPEG, WELLAND

HEAD OFFICE:
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Atlantic Sugar Refineries
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Lantic Sugar

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MONTREAL

Refineries - St. John, N.B.

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BELL TELEPHONE CO.
OF CANADA

THE BELL TELEPHONE COMPANY OF CANADA

EXTRA EFFORT TO MOVE COAL

SYDNEY.—Although the buoys will be taken up as usual in the St. Lawrence, about November 20, it is understood here that owing to the brisk demand for coal Besco will continue to operate the Black Diamond fleet up the river until about the middle of December. To off-set the extra insurance hazard, it is understood the ships will steam only in the daytime, anchoring at night, which will call for an extra day each way between Montreal and Sydney.

Pulp and Paper

THE HOLDERS OF BELGO COMMON SELLING STOCK

Arrangements Being Made for Completion of St. Maurice Merger

From Our Own Correspondent.

MONTREAL.—The details of the entry of the Belgo-Canadian Paper Company into the St. Maurice-Belgo merger have been arranged, and Hubert Biermans, president and general manager of Belgo-Canadian Paper Company, has forwarded a letter to his shareholders, which says in part:

"The majority holders of the common stock of the Belgo-Canadian Paper Company have decided to sell to a Canadian group their common shares at $100 per share.

"They have stipulated that every shareholder shall have the same privilege, subject to its being exercised as mentioned below. If you decided to sell, it would be necessary for you to advise Messrs. Holt, Gundy and Company by registered letter, using the enclosed form to reach them before December 1, 1925, mentioning the amount of shares held by you."

Shareholders of the Belgo-Canadian Company must also deliver their stock to the transfer agents before March 1, at which date they will receive payment for their shares. If a shareholder fails to accept the offer by December 1, or fails to deliver his shares before March 1, the buyers, who are understood to be a syndicate headed by Sir Herbert Holt and Harry Gundy, will be relieved of their obligations to buy the stock.

While not yet officially confirmed, it is said that the purchasing interests will make an alternative offer to Belgo shareholders if they do not elect to take the cash offer. This is understood to be 2½ shares of no par value common stock in a new company in place of each existing share of the par value of $100.

Spot Newsprint Prices Have Moved Upward

From Our Own Correspondent.

MONTREAL. — The demand for spot newsprint is strong; many of the mills report that their customers are having a hard time obtaining additional supplies. The fall advertising in the United States shows a remarkable increase over last year—it is this which has increased the demand.

At the same time, investors must realize that even though the demand for spot newsprint is strong, this really means but little as far as price throughout the year goes. Most of the Canadian mills have already made their 1926 contracts at $65.

The tremendous increase in production which is scheduled for the next year or two indicates that the newsprint stocks—that is, the better ones—are getting out of the speculative class and are getting into the tried investment class. Even should there be a very decided overproduction two years hence, it seems extremely unlikely that companies which rest on a solid financial footing will be placed in a dangerous position. Projected mills will be delayed when the market for newsprint shows signs of weakening to a point at which profits are unobtainable.

Duke-Price Company Elects a President

From Our Own Correspondent.

MONTREAL.—Succeeding the late J. B. Duke, G. G. Allen, a New York financier, closely connected with the late tobacco king's activities, has been elected president of the Duke-Price Power Company, it was announced by J. H. Price, vice-president of the company.

The Isle Maligne section of the power project will be completed by the middle of February, which means that from that part of the Grande Decharge work, some 480,000 horsepower will be available.

Quebec Pulp and Paper Is Not Negotiating

From Our Own Correspondent.

MONTREAL.—A newspaper story emanating from the city of Quebec this week indicated that merger negotiations were in progress between the Port Alfred Pulp and Paper Corporation and the Quebec Pulp and Paper Mills. This report was emphatically denied by A. Stewart McNicols, president of the latter company, who said to The Financial Post:

"Emanating from unofficial sources, these rumors on varied subjects concerning the Quebec Pulp and Paper Mills have been current in the past; these have turned out to be incorrect." Mr. McNicols further declared that this last rumor is absolutely without foundation and that investors should place it in exactly the same category as those preceding it.

Ste. Anne Pulp & Paper Considers New Mill Site

From Our Own Correspondent.

MONTREAL.—The question of the site of the new Ste. Anne Pulp and Paper Company's mill is at present being discussed; a decision will be reached very shortly. It is probable that the mill will be erected at Ste. Annes or Beaupre, the latter place being the most favored.

This mill will be constructed by the George H. Mead interests in conjunction with the Ste. Anne Pulp and Paper Company. It is understood also that Donohue Brothers will probably play a part in the picture. Probably Donohue Brothers may supply the new mill with its raw material.

NEWSPRINT FOR AUSTRALIA

MONTREAL.—The first results of the coming into effect of the Canadian-Australia trade treaty are seen in orders for 20,000 tons of newsprint which have been received from Australia by a British Columbia paper mill, and the loading of 1,100 tons of Canadian newsprint at Montreal recently which is destined for New South Wales. This paper was shipped by three or four different mills in the Province of Quebec.

International Paper Is Busy at Chelsea

From Our Own Correspondent.

MONTREAL.—The International Paper Company is employing 600 men in the preliminary work in connection with the erection of its new power plant at Chelsea, P. Q., and its new pulp and paper mill on the north shore of the Ottawa River, 2½ miles from Gatineau Point. It is anticipated that between 3,500 and 4,000 men will be employed six months hence in erecting the new mill.

Two branch line railways are being built to serve the company's new works. One goes to the site of the power house and the other to the mill site. The new newsprint mill will employ between 400 and 500 men constantly. Power lines and telephone lines have been laid into the new plant site and it is now a scene of great activity.

SHAREHOLDERS OF ASBESTOS CORP. TO CONVENE SOON

Notice Giving Structure of New Company is Ready— The Line Up

From Our Own Correspondent.

MONTREAL.—The general manager of the Asbestos Corporation of Canada, R. P. Doucet, returned from New York this week after going into conference with a number of the sales-managers of the various agencies which distribute asbestos in the U. S. It is reported that a new price list is to be drawn up immediately as a result of the meeting.

In the meantime, The Financial Post hears that the Asbestos Corporation has placed in the printer's hands a notice calling a general meeting of shareholders; this will be dispatched within a few days.

It is said that the notice to the shareholders will review fully the steps leading up to the merger, and will announce the formation of a new company to be known as the Asbestos Corporation. The capitalization of this new company will be as follows:

	Authorized	Issued
6%, 15-yr. bonds	$3,000,000	$2,699,200
6% 30-yr. general mortgage bonds	10,000,000	4,800,000
7% non-cumulative preferred	12,000,000	7,500,000
Common stock (No par value)	*200,000	200,000

* shares

The distribution of these shares and other merger arrangements are understood, though lacking confirmation, to be as follows:

The common stock in the new company will be distributed in this way:

	Shares
Asbestos Corp. of Canada	70,000
Acquisition of other companies ..	65,000
Bankers	37.500
Officials of new company	15,000
Treasury of new company	12,500
	200,000

No director other than the president, shall receive any of the bonus stock. The trustees of the voting trust will be Frank P. Jones, president of the Canada Cement Company, J. W. McConnell, president, St. Lawrence Sugar Refineries, and A. F. White, of Toronto, president of the Standard Bank of Canada.

The first mortgage bonds will be distributed as follows:

5 per cent. Asbestos Corp. ..	$1,699,200
To be sold by the bankers re Thetford-Vimy, Ltd purchase	1,000,000
	$2,699,200

The general mortgage bonds, viz.:

Preferred shareholders Asbestos Corp.	$4,000,000
To other companies	800,800
	$4,800,800

The preferred stock in the following manner:

Asbestos Corp.	$4,100,000
Other companies	3,400,000
	$7,500,000

The bondholders will have the right to exchange their present 5 per cent. bonds for a 6 per cent. bond of the new company.

The preferred shareholders will receive $100 in the 6 per cent. general mortgage bonds, one-fifth of a preferred share and one share of common stock.

The common shareholders will receive one and a tenth shares of preferred stock and one share of common stock.

The other salient features of the latter are, according to a well informed source:

1. The total capitalization of the various companies prior to the consolidation was over $30,000,000.
2. The new company will have a capitalization and funded debt of $15,000,000 and 200,000 shares of no par stock.
3. The net working capital of the company will not be less than $2,500,000.
4. The consolidation will mean a sounder position for this great national industry.

The companies entering the consolidation are:

Asbestos Corporation of Canada; Consolidated Asbestos; Federal Asbestos; Thetford-Vimy; Maple Leaf Asbestos Corporation; Black Lake Asbestos & Chrome Company and Asbestos Mines.

Asbestos Corporation Completes New Mill

MONTREAL.—The Asbestos Corporation has now completed and has put in operation its completed mill at Thetford Mines, P. Q. It will be recalled that the first half of this mill was completed about two years ago and the results obtained have proven very satisfactory.

This addition has doubled the company's milling capacity and will undoubtedly have a beneficial effect on earnings. The company's mines at Thetford and Black Lake, P. Q., consist of 8,000 acres, this property can produce asbestos cheaply, and in most instances cheaper than its competitors, partly due to the efficiency of this mill; it is known as the King mill.

It is these factors which have made the corporation a predominant unit in the asbestos merger and it is said that the reason for the first failure of Dillon, Read's negotiations was due to the fact that the proposed merger, instead of being build up around the Asbestos Corporation, was built up and then the corporation was taken in.

Belgo-Canadian Paper Company
Limited

Manufacturers of
Groundwood, Sulphite Pulp and
Newsprint Paper

MILLS AT
SHAWINIGAN FALLS, QUE.

PORT ALFRED PULP & PAPER CORPORATION

HEAD OFFICE:
INSURANCE EXCHANGE BUILDING
MONTREAL, P.Q.

Mills at PORT ALFRED, P.Q.

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LAKE OF THE WOODS MILLING CO. LTD.
Makers of FIVE ROSES FLOUR
Mills at Montreal, Brantford, Keewatin, Portage la Prairie, Medicine Hat
CAPACITY, 20,000 BARRELS DAILY

President and Managing Director:
FRANK S. MEIGHEN, C.M.G.

Vice-President & Gen'l. Manager:
WM. W. HUTCHISON.

Directors:
W. R. ALLAN, R. M. BALLANTYNE, TANCREDE BIENVENU, HON. SIR LOMER GOUIN, K.C.M.G., GEO. V. HASTINGS, WALTER MOLSON, R. W. REFORD, ABNER KINGMAN, J. K. L. ROSS, N. J. BREEN.
Secretary, M. H HUTCHISON; Treasurer, T. F. McNALLY; Asst. Treasurer, A. C. McMILLAN.

Public Utilities

CONSUMERS' GAS CONTINUES TO SHOW GROWTH

Larger Sales at Smaller Prices—Heavy Taxes Are Paid

With a continued expansion in the demand for gas, particularly for industrial purposes, but lower rates prevailing, the annual report of the Consumers Gas Company shows sales of $5,079,433 compared with $5,152,129 in the previous year. Other income showed some increase and administration expenses and taxes were considerably lower with the result that net earnings of $1,550,924 were somewhat higher than $1,402,540 for the previous year. Following are comparative figures showing various sources of income and the manner of distribution of profits:

	1924	1925
Gas sales	$5,152,129	$5,079,433
Residuals produced	1,111,591	1,183,709
Merchandise sold.	336,408	348,624
Misc. revenue ...	14,916	11,579
	$6,615,044	$6,623,345
Prod. distrib. and administration exp. and taxes.	5,212,504	5,072,421
Net earnings	$1,402,540	$1,550,924
Interest on invest.	40,290	32,209
	$1,442,830	$1,583,133
Special surplus .	....	226,030
	$1,442,830	$1,809,163
Dividends	798,740	895,178
Plant and bldg. renewal fund	634,235	710,280
Special surplus ..	$ 9,855	$ 203,707

The following tables give the company's earnings record and stock market performance over a period of year:

Market Record

	High	Low
1912	196	189
1913	191	165
1914	180	169
1915	185	176
1916	176	160
1917	165½	147
1918	153	144¼
1919	152	138
1920	150	125
1921	* 75	* 65
1922	†160	* 72
1923	163	150½
1924	170½	159
1925 (to date)	175¼	164

*Quotation "Dollars per share" instead of "percentage."

†New stock of $100 par.

Earnings Growth

The table of gross and net earnings in a period of years follows:

	Gross	Net
1925	$6,623,345	$1,550,924
1924	6,615,044	1,402,540
1923	6,883,353	1,384,704
1922	6,813,939	1,478,274
1921	7,214,881	1,540,932
1920	6,426,896	1,240,274
1919	5,506,215	965,917
1918	5,095,006	776,665
1917	4,296,349	953,306
1916	3,637,305	919,576
1915	3,440,008	865,380
1914	3,577,982	944,949
1913	3,203,310	841,981
1912	2,464,368	718,134
1911	2,214,873	697,006
1910	2,070,691	754,760
1909	1,737,000	604,083
1908	1,587,362	556,882
1907	1,363,400	455,360
1906	1,241,830	500,952
1905	1,095,650	412,259

The company's special surplus account which governs the price of gas, in that where there is a certain amount available, a reduction in the charge is automatically in order under the terms of the charter, showed $203,707, while the amount at which a revision in price becomes in order is $260,000.

An Active Year

In his report for the directors, President A. W. Austin refers to the past year as an exceedingly active one, both with respect to the volume of gas produced and distributed and the amount of construction work undertaken. The demand for gas has taxed manufacturing capacity to its limit. On September 21, the maximum daily output was recorded at 19,147,000 cubic feet, being an increase of 485,000 cubic feet over the previous maximum day.

Mr. Austin reports satisfactory progress in extensions and improvements in gas manufacturing facilities. A new gas holder with a capacity of 3,000,000 cubic feet has been erected. Construction work completed during the year or in progress at the end of the year totalled $1,904,904 or an average of $6,350 per working day. Repairs and renewals for the year aggregated $749,295, representing expenditures to keep the company's plants at the highest point of efficiency.

Investments Well Made

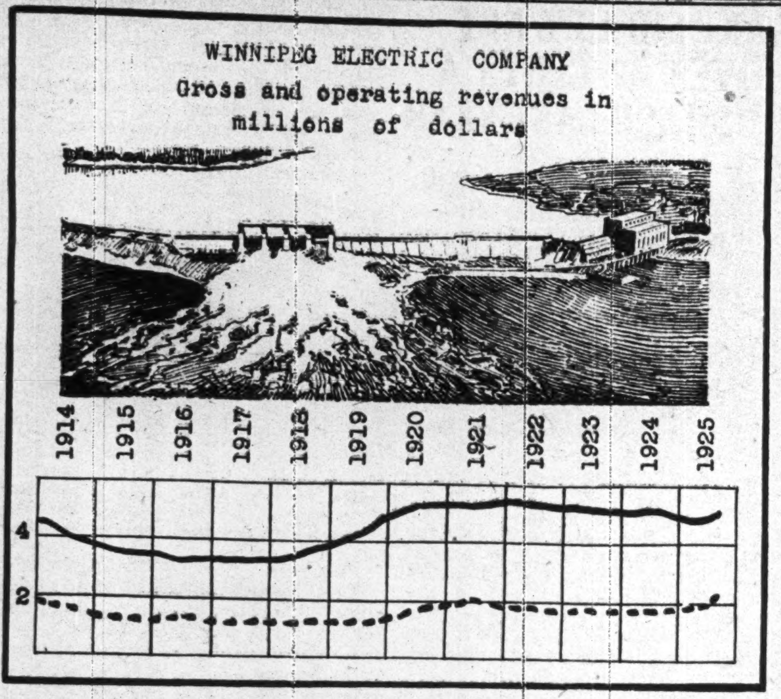
The point was made by the president that the company's investments were in bonds and other high grade securities and easily convertible. The reserves now amount to 71 per cent. of the paid up capital and the shareholders are in the favorable position that while the dividend is limited by law it is also protected by law in that it is one of the first charges on income.

Heavy Taxes Paid

Referring to the heavy taxes which the company pays as a private corporation, Mr. Austin pointed out that the tax bills were greater than any other corporation with the exception of the railways. The amount paid in ten years was $2,237,359. In wages the company last year paid $2,617,000 which is equal to 42 per cent. of the amount paid for gas by the consumers. This wage bill according to Mr. Hewitt was $1,000,000 greater than it would have been under the pre-war conditions.

As to the present and the future

(Continued on page 30)



'Peg Electric Position Reviewed

From Our Own Correspondent.

MONTREAL.—Shareholders in the Winnipeg Electric Company will be gratified with the earning record of the company during the month of October, for The Financial Post understands that both the gross and net revenues for that month will show a substantial increase over the same period of 1924. These figures will be published shortly. During the month all the utilities operated by the company, gas, electric and power, showed a very decided increase in earnings.

This news is significant in that it indicates the better conditions prevailing in and about the city of Winnipeg; it also shows that business in that vicniity is definitely once more on the up-grade

This year the company has been able to show a steady increase in net earnings despite the fact that as a rule the gross has not been quite up to the 1924 level. For the future, it is expected that the gross will continue on this upward trend, and that probably the gross earnings for the year will show an improvement over the preceding year. The net will, of course, be increased also.

With the graph accompanying this article appears a sketch of the Manitoba Power Company's plant at Great Falls, the largest power site on the Winnipeg River. This company is a subsidiary of the Winnipeg Electric and about 72 per cent. of its stock is held by the parent organization. At its power site it operates a power plant with a present capacity of 56,000, h.p., and an ultimate capacity of 168,000 h.p. The additional installation of more generators can be accomplished at low cost, for practically all of the necessary headworks and substructure have been completed to provide for the additional output of energy.

Company's Agreement

The Winnipeg Electric Company has an agreement with its subsidiary to take sufficient power to provide for all operating expenses and interest charges; until recent months the company found difficulty in disposing of the entire output. The situation has changed materially this year, and the Manitoba Power Company has but little surplus power to sell. The recent closing of a contract with the Manitoba Pulp and Paper company means that Winnipeg Electric will have sold its entire output of power, and it appears that further generators, probably two, will have to be installed by the subsidiary to take care of peak loads. When completed, this will mean an output of 112,000 h.p.

The Winnipeg Electric Company owns or controls hydro-electric plants capable of producing 229,000 h.p., of which 85,000 h.p. is already developed. As has been said, 56,000 h.p. of this total is produced by the Manitoba Power; the remaining 29,000 h.p. comes from the company's development at Pinawa. In addition, it owns a steam plant with a capacity of 12,000 h.p.

In addition to its power plants, the company provides for Winnipeg its gas and its traction service. The latter includes several suburban lines.

The Negotiations With City

Investors of late have probably been following closely the various negotiations which have been going on between the city and the company. One plan provides for the purchase of the tramways by the city, and the other plan provides for a zoning of power distribution between the civic hydro-electric enterprise and the company. At the present time the investors' interest in these matters might be termed purely academic, for the city fathers of Winnipeg appear to reach their decisions slowly. In this they differ from no other civic officials on this continent.

When the company and the city reach an agreement on these matters, the shareholders can be assurred that the arrangements which will have been made will work out favorably for both parties. But it is not the outcome of these negotiations upon which the future of the company rests, but rather on the future of the city of Winnipeg.

Public utility service in Winnipeg dates from 1881, when the Winnipeg Street Railway Company began to operate its first horse car. In 1898 the company took over the gas distribution in the city. From that date until the war, the company made steady progress, and, in 1912, its stock touched 268. At that time, and for several years after, its main source of revenue was the tramways service. Then came the war. Costs of equipment mounted. Wages went up. But none thought of allowing the Winnipeg Electric Railway Company to increase its rates to compensate for the increased cost of operation. In 1919 earnings were only .14 of one per cent. on the common stock. In other words, the tramways were not making money. Other means of obtaining a revenue had to be found and the obvious answer was the development and sale of power.

The history, then, of the Winnipeg Electric over the last ten years is

(Continued on page 30)

Public Utility Earnings

Western Natural Gas

	1924	1925	Change
January	$148,965	$163,953+	$14,988
February	104,266	171,679+	67,413
March	96,065	148,335+	52,270
April	93,811	91,602—	2,209
May	56,197	61,584+	5,387
June	46,428	43,159—	3,269
July	34,296	34,097—	199
August	33,614	37,068+	3,454
September	44,243	60,562+	16,319

Winnipeg Electric

September—	1924	1925	Change
Gross Earn.	$393,871	$409,185+	$15,314
Work exp.	268,517	271,313+	2,796
Net Earn.	125,354	137,872+	12,518
Aggr. Gross from 1st Jan. to end of Sept.	3,894,118	3,880,137—	13,981
Aggr. Net from 1st Jan. to end of Sept.	1,118,371	1,264,910+	146,539

Monterey Railway, Light

3 Months to June, 1925—

	Gross	Exp. incl. prov. for rent and obsoles	Surplus
Rly. Light & Pwr.	$196,117	$207,106	x$10,988
Water. & sew'ge.	63,187	37,837	25,350
Total	$259,305	$244,943	$14,361
Aggr. Earn. from 1st Jan., 1925, to 30th June, 1925 ..	$521,741	$503,861	$17,880

xDeficit.

B. C. Electric Railway

September—	1924	1925	Increase
Gross Earn.	$878,418	$976,672	$98,254
Works, Exp., Maintenance, etc.	630,821	704,217	73,396
Net income	$247,597	$272,455	$24,858
Aggr. Gross from 1st July to 30th Sept., 1925	$2,677,569	$2,899,732	$222,163
Aggr. Net from 1st July to 30th Sept., 1925	$735,792	$827,934	$92,142

CROWN RESERVE PLANS

It is understood that plans are being considered for an entirely new management for Crown Reserve. New financing plans will also be necessary.

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SEVENTY-SEVENTH ANNUAL REPORT OF THE

CONSUMERS' GAS COMPANY OF TORONTO

YEAR ENDED 30TH SEPTEMBER, 1925

The Directors present the following report of the operations and progress of the Company, together with the Financial Statements, for the fiscal year ended September 30th, 1925.

The past year has been an exceedingly active one, both with respect to the volume of gas produced and distributed, and the amount of construction work undertaken.

The demand for gas has continued to tax the Company's manufacturing capacity to its limit. On September 21st last the Company recorded its maximum daily output of gas, which amounted to 19,147,000 cubic feet, being an increase of 485,000 cubic feet over the previous maximum day.

The net gain in the number of consumers during the year was 4,266, making the total at the end of the year 147,102.

The operations for the year have resulted as follows:

Gross Earnings	$6,623,345.90
Operating Expenses	5,072,421.91
Net Earnings	$1,550,923.99
Special Surplus Account, Oct. 1, 1924	226,030.33
	$1,776,954.32
Interest, Dividends and Plant and Buildings Renewal Fund	1,573,247.16
Special Surplus Account, Sept. 30, 1925	$ 203,707.16

The lower revenue from Gas Sales in 1925 as compared with 1924 resulted from the substantial reduction in gas rates made effective on April 11, 1924, the year 1925 constituting the first full year under the reduced rates.

There has been no appreciable change during the year in the average cost of materials used in the manufacture of gas or in the rates paid for labor.

Taxes, Municipal, Provincial and Dominion, including Dominion War Income Tax payable in 1926, amounted to $285,127.84.

Repairs and Renewals for the year aggregated $749,295.92, which amount represents the expenditure necessary in maintaining the Company's properties at the usual high physical standard essential to efficient operation.

Construction work completed during the year or in progress at the end of the year has involved expenditures totalling $1,904,904.51, or an average of $6,350.00 per working day.

Satisfactory progress has been made with the extensions and improvements to the coal gas manufacturing plant at Station "A" referred to in the last annual report. The installation of two rotary exhausters, six multi-tubular condensers, one ammonia scrubber washer, two ammonia washers, one set of four purifiers, and one rotary station meter has been completed. Work on the erection of eight settings of Glover-West vertical retorts has now reached a stage which assures its completion by December 15th next.

The Directors have considered it necessary to augment the gas storage facilities at Station "A." Two small gas holders erected forty-five years ago, and having a combined capacity of 600,000 cubic feet, have been torn down to provide space for the erection of a new gas holder having a capacity of 3,000,000 cubic feet.

Construction work on the program of extensions to the trunk mains system, as outlined in the last annual report, has proceeded actively throughout the year.

The Company has again been able to make an important contribution in relieving the local unemployment situation, having had more than seventeen hundred employees on its payroll at certain periods during the year.

In April last the Directors offered for sale $2,000,000 of the Company's Capital Stock, all of which was disposed of, the total number of purchasers being 2,030. The stockholders of the Company now number 2,751.

The following statement for the past year, as compared with the preceding one, shows:

	METERS	GAS SALES
Year ended September 30th, 1925	147,102	$5,079,433.48
Year ended September 30th, 1924	142,836	5,152,129.34
Increase	4,266	
Decrease		*$72,695.86

*Due to decrease in rates charged for gas.

All of which is respectfully submitted.

A. W. AUSTIN, President.

Statement of Income and Profit and Loss
For Year Ended September 30th, 1925

GROSS EARNINGS:		
Gas Sales	$5,079,433.48	
Residuals Produced	1,183,708.87	
Merchandise Sold	348,624.53	
Miscellaneous Revenue	11,579.02	
		$6,623,345.90
Production, Distribution and Administration Expenses and Taxes		5,072,421.91
NET EARNINGS		$1,550,923.99
Interest on Investments		32,209.94
		$1,583,133.93
Special Surplus Account, October 1, 1924		226,030.33
		$1,809,164.26
Dividends	$ 895,176.32	
Plant and Buildings Renewal Fund	710,280.78	
		1,605,457.10
Special Surplus Account, Sept. 30th, 1925		$ 203,707.16

Balance Sheet of the Consumers' Gas Company of Toronto, September 30th, 1925

LIABILITIES

Capital Stock		$10,000,000.00
Reserve Fund:		
Authorized under Act of 1887	$1,000,000.00	
Premium on Capital Stock	4,488,934.95	
		5,488,934.95
Special Surplus Account		203,707.16
Plant and Buildings Renewal Fund:		
Amount at Credit Oct. 1, 1924	$1,477,901.79	
Less Repairs and Renewals	749,295.92	
	$ 728,605.87	
Transferred from Profit and Loss, September 30, 1925	710,280.78	
		1,438,886.65
Reserved for Dividend No. 302		249,968.50
Provision for Dominion Government Taxation		54,897.49
Sundry Accounts Payable		362,502.76
		$17,798,897.51

ASSETS

Real Estate, Plant and Equipment	$14,979,703.92
Other Investments	1,127,135.27
Materials and Supplies	847,911.68
Cash in Bank and Offices	265,240.70
Accounts Receivable, after making provision for Doubtful Accounts	502,038.26
Interest Accrued, not due	25,033.25
Prepaid Taxes	51,831.43
	$17,798,897.51

A. W. AUSTIN,
President.

ARTHUR HEWITT,
General Manager.

We have audited the accounts and vouchers of the Consumers' Gas Company of Toronto for the year ending September 30th, 1925. Our requirements as Auditors have been complied with, and in our opinion the above Balance Sheet sets forth a correct statement of the Company's affairs as shown by its books.

(Signed)
W. E. SAMPSON,
EDMOND GUNN, F.C.A. } Auditors.

Toronto, 28th October, 1925.

The following gentlemen were re-elected Directors for the ensuing year: A. R. Auld, Esq.; A. W. Austin, Esq.; A. R. Campbell, Esq.; L. Goldman, Esq.; Dr. F. LeM. Grasett; Lt.-Col. J. F. Michie; William Mulock, Esq., K.C.; F. G. Osler, Esq.; Thomas H. Wood, Esq.

At a meeting of the Board of Directors held subsequently, Mr. A. W. Austin and Dr. F. LeM. Grasett were re-elected as President and Vice-President respectively.

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Stocks
Deeds
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News of the Mines for the Investor

Conducted by DANIEL E. CUSHING, Mining Editor, The Financial Post.

ENGLISH INTERESTS NEVER HOLD ON TO CANADIAN STOCKS

Have Consistently Handed Shares Back to Canada at High Prices

For the past few years a great deal of publicity has been given the fact that the British interest in Canadian mining securities has been considerably below 5 per cent. It is being suggested that the answer to the question as to who has been unloading all the Kirkland Lake Gold on the market, is also the explanation of this small English holding of Canadian mining shares. A review of the situation would seem to support the contention the English interests have continuously and religiously "scalped" the market in Canadian mining stocks and sold back to Canadians at a high price, stocks which were purchased at a low level. In very few instances can it be found that English interests have held their stock and played out the venture.

There has been a steady selling of Kirkland Lake Gold all year. Total transactions for the year to date are 4,194,000 roughly. Transactions for the past few weeks, since the important discovery was made, have totalled 1,400,000 shares. During this latter period of selling, the stock moved up from below 50 to a high of 90. When Anglo-French interests took hold of Kirkland Lake Gold, they took up 500,000, 10 per cent. preferred at 70 cents. It is redeemable at $1.10. Their profit will be 40 cents a share or $200,000. They also took up 1,000,000 common at 10 cents and an option of a similar amount at 10 cents.

Before the reorganization, Beaver held 1,750,000 shares of Kirkland Lake Gold and the public 250,000. Beaver took 500,000 preferred and 1,500,000 common when the new stock was issued. This would account for 3,750,000 of the 4,000,000 common Kirkland Lake Gold, the public having 250,000, Beaver 1,500,000 and Anglo-French interests 2,000,000.

Sold Some Shares

It is stated that Beaver directors have been marketing some Kirkland Lake Gold to finance the operations being carried on at Beaver Extension in Elk Lake, but this would account for a small share of the selling. There have been rumors that the split between J. B. Tyrrel and the Anglo-French, was the result of stock selling. The facts will likely come out sooner or later.

The first experience of this kind with the English interests was when they secured a block of Hollinger stock around $3.50. When the Timmins interests started to make a market for Hollinger shares, they found they first had to absorb the stock which the English interests held as they unloaded as soon as the market moved.

Later came the Bewick-Moering experience. These interests took hold of a large acreage in Porcupine. Without testing any of them out they threw the bulk of them overboard to Canadians. To-day these properties make up the bulk of Goldale holding, although other English interests have taken up their veteran claims.

Other Examples

Keeley is another example. The London interests got Keeley cheap. Many are asking what is the matter with the market on the stock. Brokers point to the fact that the great bulk of the certificates that they receive are from London, as explanation. It is also that another London group with a material holding in Noranda has recently unloaded and put the funds into another venture, to later scalp the market and give Canadians some more high priced stock.

Two years ago, fully seventy-five per cent. of the stock of Mining Corporation of Canada was held in England. To-day the figure is around 50 per cent., and about 100,000 shares of stock have been sold by London to Canadians in the last month. This explains why the price of the stock is so low. London had a big interest in Lorrain Trout Lake and succeeded in selling 100,000 or so shares back to Canada around $1. It cost them 10 cents. However, there was little public interest in the shares here and the offering has never taken.

Thus it will be seen London has not hestitated to take profits on its Canadian stock and get out. It has certainly lost heavily in doing so. The 100,000 shares of Hollinger sold around $400,000 is to-day worth $1,685,000 plus a million dividends paid.

London still has a material interest in Vipond, Tough Oakes, Canadian Lorrain, Goldale. This, in the face of past experience, is a factor which holders of these shares should watch.

The writer this week scanned a letter from a large broker in London who has been heavily interested in marketing Canadian mine shares. He says there is a perfect vendetta being carried on here against all things Canadian, which is perfectly scandalous. "I am to-day, a voice crying in the wilderness, but in hopes that the attitude will change sooner or later, I am keeping on."

Contrast this with London's methods in South Africa. They sent their engineers and their money into the country and have stayed with it. The same in India. In these cases, however, they had to develop their own share market and did not face competition as is the case in Canada, where United States interests are strongly intrenched. On the other hand, there are several strong English exploratory ventures in the country that are taking up their own ventures as they did in Africa.

Tough-Oakes' Shareholders Entitled to Consideration

Have Yet to Receive Information About Recent Developments—Delay of Annual Meeting is Again Breaking Confidence in the Venture

Shareholders in Tough-Oakes Burnside are wondering when they are going to get some consideration from the directors.

Important developments have taken place at the mine in the last few months. The whole complexion of the venture has been changed.

In so far as information to shareholders from the directors goes, these developments are non-existent. They have not received a word one way or another.

Tough Oakes annual meeting was first talked of in August. It was delayed for one reason or another and is yet to be held.

Through the kindness and co-operation of Manager Allen Stuart, The Financial Post and other papers, gave the shareholders the information as to the changed conditions at the mine. This restored confidence in the venture when confidence had been badly shaken. Confidence this time is being shaken by the attitude of the directors in ignoring the rights of shareholders. The stock moved up to a pretty fair level. The attitude of the directors has aided the bears and their campaign of rumors in breaking it down. Not only are the shareholders losing but it furnishes excuse for just another attack on mining.

Tough Oakes Burnside shareholders have not heard from the directors in over a year.

KIRK GOLD'S SHOOT SHOWS GOOD WIDTH

Is 12 Feet on West and 25 Feet on East End of Drift

Developments on Kirk Gold in Lebel Township, Kirkland Lake, have revealed that the ore body recently cut in the crosscut on the 300-ft. level, is very wide. A drift was driven 37-ft. west and the ore body was crosscut at this point. It showed a width of 12-ft. A similar drift was run 33-ft. to the east and the crosscut showed the body to be 25-ft. wide. This is within striking distance of the boundry of King Kirkland which was turned down by Tonopah Mining Co., a year or so ago.

There are four veins in the ore zone cut, which lies right in the porphyry. Assay results are not as yet available, but it is known that fair values have been encountered. Indications are that the operation may be on the top of an ore shoot.

Put Up Million to Open Up B.C. Mine

Kirkland Gold mine, Taku Arm, B.C., west of Atlin, and adjoining the famous Engineer mine has been financed in New York by Major A. R. Ross, of Ross, Johnson Ltd., Vancouver. He raised $1,000,000 to develop the mine.

"The phenomenal success of the Premier mine and the recent rich findings of the Engineer mine have attracted the attention of the big U. S. financiers, and they are going to enter the northern mining field in a big way," Major Ross said. "Stock of the Engineer mine on the New York Curb exchange recently soared from $5 a share to as high as over $100. This, of course, made New York anxious to get the adjoining property of Kirkland, through which the same formation runs."

INDIAN TO SELL BONDS

Directors of Indian Mines propose to make an issue of $50,000 of eight per cent. bonds, of which $25,000 will be put out almost immediately. It is understood that 150,000 shares of stock will be given as a bonus along with the $25,000 of bonds. Twenty per cent. is being raised in cash and the balance is payable at the rate of 10 per cent. monthly.

MINING STOCK QUOTATIONS

Week Ending November 17

	High for week	Low for week	Close Nov. 17	Close Nov. 10	Sales for week
Apex	2	2	2	2	1000
Argonaut	18½	12¼	14¾	12¼	122430
Atlas	2⅜	2⅛	2⅜	2	5000
Baldwin	2⅛	1⅞	2⅜	2	19000
Barry-Holl.	28	27	27¼	28	20200
Beaver	56½	50½	52	57	157441
Bidgood	10⅛	9¾	10	10	14000
Boston Creek	3	3	3	4½	500
Buckingham	3	2½	2½	2½	3000
Can. Lorrain	69	59	66¼	60	33280
Capitol	28	28	28	29½	3000
Castle Tre.	1.39	1.3	1.35	1.39	23375
Chaput H.	8¼	8¼	8¼	..	1000
Clifton	3¼	3	3¼	2¾	16500
Coniagas	2.95	2.70	2.85	2.70	5505
Col. Kirkland	2⅝	2¼	2⅝	2¾	7000
Cons. Smelters	158¼	147	153	151	18850
Cons.W.Dome.	15	11¾	15	12½	222800
Crown Res.	19	16	18	16	60900
Dome Mines	16.50	15.65	16.40	15.90	7443
Everett	7¼	6½	7	7	37500
Gifford	¼	¼	¼	½	1000
Goldale	30½	23	30½	24	186600
Gold Reef	1⅝	1½	1½	1½	17000
Hattie	¾	¾	¾	¾	2000
Hattie, pref.	2⅞	2¼	2⅝	3	7500
Hollinger	17.05	16.60	17.00	16.75	2830
Hunton	8	7¼	7¼	7	48600
Indian	7	6	6	6¼	12000
Int.Nickel,com	45⅛	38¼	44½	39	10475
Keeley	1.50	1.46	1.49	1.48	10200
Keora	15	13¼	13¼	15	64000
Kirk Lake	90	77	86½	88½	219000
Lakeside	3	2¾	3	4	1000
Lake Shore	8.95	8.70	8.94	8.90	13820
La Rose	38½	37	37	38½	10100
Lorrain	8¼	7½	8	8½	27500
Lorrain T. L.	90	90	90	90	1000
McKinley	18½	17½	18½	17	22700
McIntyre	20.85	20.45	20.55	20.90	3940
Mining Corp.	3.30	2.95	3.20	3.00	28795
Moneta	18	17	17	17¼	20500
Newray	34	30	34	30	36100
Nipissing	5.25	5.05	5.05	5.05	6525
Night Hawk	9	9	9	9	500
Ophir	3¼	3½	3½	3¼	6000
Pete Lake	2½	2½	2½	3¼	18500
Premier Gold	2.30	2.20	2.25	2.23	11175
Preston	7¼	6¾	7½	7½	28500
Teck Hughes	2.16	2.01	2.07	2.00	109145
Tamiskaming	14	11½	12	16	8200
Tough Oakes	52	48	49¾	51	85850
Vickers	5	5	5	4⅛	4000
Vic. Silver	7½	7	7	8	5000
Vipond Cons.	1.23	1.16	1.16	1.17	46299
Wakenda	1¼	1¼	1¼	1	1000
Wasapika	1¼	1¼	1¼	1¼	1500
West Tree	2¼	2⅛	2⅛	2	20000
Wright-Har.	6.75	6.55	6.70	6.70	3920
Oil Companies					
B.A. Oil	48	44¾	47	45⅛	2407
Imperial Oil	32¾	32	32⅜	32⅜	2105
Inter. Pet.	29¼	27½	28⅜	27½	1994
Cont. Oil	24¼	23¾	23¾	24	30
North Star,pref	4.30	4.30	4.30	4.25	200

Kerr Lake Lost on Goldale Share Deal

Coniaurum is said to be meeting with good success near the old Goldale workings and the demand for the stock as well as Coniagas's Goldale and Newray is keen. Kerr Lake has lost on the deal, for it recently disposed of the Goldale stock it had taken under the option at 35 or 40 cents, for 15 cents a share, and they are now selling above 30.

McDIARMID GROUP CHANGING HANDS

Lightning River Property to be Diamond Drilled by U.S. Interests

The McDiarmid Group of claims in Lightning River has been purchased by United States interests. It consists of 300 acres and is owned by a Toronto syndicate. It is located south of the Abitibi. It is understood that the U. S. interests will spend $25,000 on the property in drilling and then if results are encouraging, will proceed to sink and open up the property. There is one particularly large vein on the property that has been opened on surface for 400-ft. and it shows a width of 12-ft. Assays have been fairly consistant, running from 80 cents to various high sums. Some very good average results were $8.20 over 7-ft., $6.20 over 6-ft., $3.80 over 5-ft. and $5.40 over 2-ft.

MINE DIVIDENDS $10,000,000

Dividends by gold and silver mining companies of Ontario, estimated to Dec. 31, brings the 1925 total up to $10,402,174. This represents a gain of $2,013,131 over the dividend record of 1924.

LAKE SHORE'S NET OVER 42 CENTS A SHARE LAST YEAR

Pres. Oakes Says $25,000,000 Still Between 200 and 1,000-ft. Levels

Lake Shore's production for the fiscal year ending June 30 was $1,812,495 or three times the 1924 total of $578,243. Recovery per ton was $18.72 compared with $23.97, but the tons milled in 1925 were nearly four times as great.

During the year Lake Shore drew 70,167 tons from stopes and 29,735 or nearly a third from development. There are 85,365 tons of broken ore in the stopes. Value $2,148,260. Pres. Harry Oakes deals at length with the question of ore reserves, pointing out that with production of the mine to date at $4,832,484, only 20.7 of the ore has been recovered between the 200 and 1,000-ft. levels. This means that this area is still to give up $25,000,000 or $30,000,000 in all.

Satisfactory, is the way E. B. Knapp, superintendent, sizes up the work underground. He says:

> The proving of the downward extension of No. 2 vein on both the 800 and 1,000 foot levels. Also the new ore on No. 1 vein east of the shaft on both the 800 and 1,000 foot levels.
>
> During the year a total of 107,484 tons were mined and hoisted. Of this, 96,838 dry tons were sent to the mill and treated. This total yielded bullion worth $1,812,494, the recovery per ton being $18.72. The tonnage milled during the year showed an increase of approximately 300 per cent. over the previous year, while the bullion produced showed an increase of approximately 210 per cent. Mr. Knapp's report on mining and development shows that 18,459 feet of drifting, 4,024 feet of cross-cutting, 3,609 feet of raising, 9,875 feet of diamond drilling, 40,642 cubic feet of station cutting, and 68,326 cubic feet of box-holing were done during the year.
>
> Construction for the year has been very heavy, due to the increased capacity of the mill. A brief summary of the year's work shows the mill tonnage for the year increased to approximately 9,000 tons monthly; the proving of the downward extension of No. 2 vein, on both the 800 and 1,000-ft. levels; the finding of ore in No. 1 vein, east of the shaft, on both the 800 and 1,000-ft. levels; an increase of broken ore reserves of approximately 90 per cent., in both tonnage and value; the construction program practically completed, and the working costs reduced by approximately 50 per cent.

Pres. Oakes says that it was in September of last year that consistant good ore was encountered in No. 2 vein on the two lower levels. The width and value of ore occurrences compare favorably with the upper levels. In addition several hundred feet of new medium grade ore has been developed on the eastern section of No. 1 vein on the 1,000-ft. level and the development to date on the 800-ft. level has confirmed the existence of equally good ore on this level.

Diamond drilling in various sections of the mine on these lower levels has encountered good ore paralleling that already opened up, indicating probable branches of the main vein—the extent and value of which are yet to be determined. On discovery of important ore bodies on these lower levels, the company began an extensive alteration and construction program, which it is expected will near completion this year.

Lake Shore production figures:

	1924	1925
Tons milled	24,223	96,838
Recovery	$578,243	$1,812,495
Per ton	$23.97	$18.72

(Monthly Production)

	Tons Milled	Value per	Value
July, 1924 ...	3,905	$14.98	$ 58,505.40
Aug., 1924 ...	3,764	18.42	69,340.23
Sept., 1924 ..	7,662	16.59	127,130.02
Oct., 1924 ...	9,040	17.24	155,925.15
Nov., 1924 ..	8,885	16.66	174,725.48
Dec., 1924 ...	9,554	18.32	175,038.84
Jan., 1925 ...	9,714	16.98	165,000.00
Feb., 1925 ...	8,283	19.92	165,000.00
March, 1925 .	9,084	18.16	165,000.00
April, 1925 .	8,628	19.13	165,000.00
May, 1925 ...	9,152	18.04	165,000.00
June, 1925 ..	9,167	24.74	226,320.34
Totals	96,838	$18.72	$1,812,494.66

Total income was $1,823,468. Costs were $715,081 and the amount left for dividends was $858,734.

	1924	1925
Total income	$602,967	$1,823,468
Less expense	315,236	715,081
Depreciation	......	71,940
Mine expansion	209,440	120,000
Taxes	......	57,711
Balance forward ...	$105,796	$ 858,734

The balance sheet shows cash on hand $130,166 and bullion $119,109. Bonds held in the treasury are valued at $202,152. Provision for exhaustion stands at $820,000.

MAY OPERATE HOLTYREX

Holtyrex interests have come together and the property will soon be opened. Holtyrex lies north of McIntyre. It is stated by officials that they believe porphyry intrusions may be developed which may have some connection with the porphyry mass known to occur on the McIntyre.

Old Revelstoke B.C. Placer Section is Again Worked

NELSON. — Recollections of the gold-rush days in the Yukon are brought back by a report from Revelstoke, where it is said gold is being washed at $2.50 per hour. George Mix and Jack Smith on McCulloch Creek, 70 miles up the Big Bend, have been working steadily and brought into Revelstoke gold they had washed. They report that in 16 hours of shovelling they cleaned up $40 in coarse gold, one nugget being worth $9.

The cleanup was made on the claim owned by George Mix, it being one of the group of placer claims recently staked by a Revelstoke syndicate. This district was popular among the gold seekers of more than 50 years ago and the recent haul by the Revelstoke men has caused no little excitement. The pay streak is said to stretch for miles along McCulloch and other tributary streams. Hard pan, or bedrock, has not been struck yet, and it is expected by these men that when hard rock is struck the diggings will increase in value.

At present a good road runs 17 miles up the Big Bend country and efforts are being made to procure government assistance for an extension of this road to facilitate the taking in of supplies to this again promising placer field. There will, no doubt, be a "rush" to the territory in the spring.

Get the Facts About Mining in British Columbia

The B. C. Chamber of Mines is in a position to offer unbiased information, based upon thoroughly reliable reports of the latest date, as to any phase of mining in British Columbia, or general information as to any mining property in the Province.

Every Engineer, Prospector, and Investor should keep in touch with the great development of the enormous mining resources of British Columbia, which is now going on.

We are not interested in any mining property. We have no stock to sell. We are a semi-public body, organized to disseminate authentic information concerning the mining industry of British Columbia.

Address enquiries to Secretary, B.C. Chamber of Mines, Suite F, 438 Pender St. W., Vancouver, B.C.

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ANOTHER BIG U.S. GROUP ENTERS IN CANADIAN MINING

Rumor is That Whitney Estate is Flin Flon Purchaser—Mining Corp. Retains Interest

Flin Flon mine, Northern Manitoba, owned by Fasken interests and Mining Corporation of Canada has been sold to New York interests. R. H. Channing Jr., a San Francisco engineer, was in charge of the deal. The sale was first reported in The Financial Post on Oct. 30. It has just been officially announced.

Details of the deal and the interests represented by the purchaser have not as yet been revealed. This will all come out in good time but a deal of the magnitude of this kind involves considerable before such details are released. However, New York advices are, that the opinion prevails that the Whitney estate is involved and that when full particulars are made known, it is intimated that Harry Payne Whitney will be found to be much interested.

Flin Flon, it is stated, was taken up by the new interests as a copper-zinc proposition, not as a straight low grade copper proposition as it has been heretofore regarded. Official government figures on diamond drilling and underground results, have intimated that there was 16,000,000 tons of ore with copper content valued at about $8 at present market. The zinc was regarded as being a liability, in as much as it was going to add to the treating charges to eliminate it. The official statement of Pres. J. P. Watson, Mining Corporation, states that Mr. Channing's organization has for some time past been conducting laboratory experiments with the ore and will now carry out metallurgical tests on a large scale. The interpretation placed on this is that they have evolved a method of extracting the zinc from the copper and that as a result both minerals in the ore will now have a commercial value. If this gossip is correct, it would place a value of $13 instead of $8 on Flin Flon's 16,000,000 tons of ore or a total of upwards of $200,000.

It is understood that the new interests will start work immediately. The operation is going to be a costly one. The property is about 100 miles northwest of The Pas, the nearest railway. It is quite accessible in the winter by sleighs up the lakes and can be reached by water from The Pas in the summer.

However, for the time being, it is some satisfaction to mining interests to see another large U. S. operation undertaken in this country. It means that large sums of U. S. funds must go into Northern Manitoba before any profits will come out.

Pres. Watson's announcement states that Mining Corporation has retained an interest in the property. To figure what this might be would be pure guess work. Mining Corporation has about $1,500,000 invested in the property and development. Shareholders will await with interest the full details of the deal as the ultimate payment of any cash to the corporation might have an influence on dividend payments. Sooner or later, Mining Corporation should reap a substantial reward from its speculation in Flin Flon, though rumors are that no immediate cash payment is to be made.

FEW CHANGES IN MINING STOCKS

C. W. Dome and Goldale Have Reached New Levels During Week

The mining market is showing a good volume of trading, mostly in the better stocks, though some of the small issues came in for attention. There has been no outstanding developments. West Dome reached 17 on reports that new interests were in the market for control. This is doubted in well-informed circles. Teck-Hughes and Tough-Oakes have been a little weaker, while Lake Shore sold at 8.95, a new high. Kirkland Lake and Beaver continued in demand and held firmly. Goldale is at a new high for the year, 32, and so is Coniagas, 2.85. Coniaurum shares are quite scarce. Mining Corporation has sold up to 3.30, and then eased a little. The Flin Flon deal is the factor, and London selling is holding the market.

Generally, the market looks very well, with a steady accumulation of the better stocks going on steadily.

WRIGHT-HARGREAVES

October production of Wright-Hargreaves was around $175,000, with recovery about $14 per ton.

Gold Hill to Sink Shaft to 400 Level

After proving up about four hundred feet of ore on the 300 foot level of an approximate value of $40 per ton, work on this level was stopped and sinking started to the 400 foot level, says an official statement on Gold Hill Mines. When the new level is reached the vein will be again drifted on and heavier machinery installed to carry the work to the deeper levels. J. W. Morrison is at present engaged in making a report on the property and in order to check values a carload shipment will be made to the government sampling works at Cobalt and later to a smelter. This, it is said, will give an absolute check on the values that may be expected when milling starts.

DID NICKEL BUY B. A. N. C.'s PLANT?

Interesting Point About the Disposition of Other Holdings

Details have not been forthcoming as to the extent of International Nickel's purchase of old British American Nickel holdings. The only mention made so far has been of the mine. Details as to the smelter and refinery's fate are lacking.

Heavy accumulation of Nickel shares goes on above 43. Net earnings are now much higher than a year ago. The company's position is very strong, as will be seen from the following:

	1925	1924	1923
Gross earnings	$4,112,652	$1,774,648	$1,392,027
Net earnings..	2,715,235	795,456	496,324
Preferred div..	267,378	267,378	267,378
Common div...	826,000	......	......
Surplus	1,611,165	528,078	228,946
Total profit & loss surplus.	14,750,308	11,277,219	10,265,614

HAULTAIN SHAFT IS DOWN 160-FT.

High Grade Ore Shoot on 150-ft. Level Opened up for 125-ft.

The installation of the new shaft head and cage has been completed and the mill will start operating soon. The shaft is officially stated to be down 162 feet with rich ore still showing in the vein at the bottom; on the 150 foot level the high grade ore chute in No. 5 vein has been opened up for a length of 125 feet, with ore in both faces of the drift, indicating that it will continue for some distance. In the south drift the vein has widened to 12 in., and in the north drift to 8 in., with a rich branch vein 3½ in. wide, both carrying free silver. Sixty feet of cross cutting has been done to open up veins showing on surface.

The mill is expected to start on 10 or 15 tons daily. Thirty men are employed in two shifts.

NORANDA SHARES WILL BE CHANGED

Present $100 Shares Will be Split on Basis of 100 for 1

Noranda shareholders have approved of the plan to issue 2,000,000 shares of new stock, no par value, for the present 20,000 shares of $100 par. The latter are selling around $950, and shareholders will get 100 new for one old.

H. E. Hibbert, who has been appointed superintendent at the Horne property, was formerly connected with British-America Nickel Company, Ltd., in the capacity of mine superintendent. L. K. Fletcher, present superintendent, will concentrate upon the development of certain of the other Noranda holdings in Quebec during the next few months.

Amulet Has Picked Up Excellent Ore Body

Amulet Mines in Quebec are reported as meeting with success underground. Recent diamond drilling intersected an ore body at a vertical depth of 160 feet. It contains important silver values, assays showing 17 ounces of silver to the ton, besides an important zinc content and values in copper and gold. The drawback in connection with Amulet until the latest stage of development has been that none of the ore bodies has been found to extend to depth. A very substantial tonnage in the aggregate was contained in the surface showings. The development which is now reported appears to carry much significance. The stock, which has held around 75, has advanced to 115 and bids were in the market at 120 for large blocks.

Mining Corporation of Canada

WE have prepared a special bulletin in connection with this company which outlines the probable effect of the sale of its Manitoba property.

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Province of Saskatchewan	4½	1945	95.50	4.85
Province of British Columbia	4½	1950	94.25	4.90
Province of British Columbia (Issued by P. G. E. Railway)	4½	1942	94.00	5.03

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TORONTO NOV. 20, 1925

CANADA NEEDS SUCH SETTLERS

AN EXAMPLE of how certain types of foreign settlers who come to Western Canada are determined that their children shall obtain a complete Canadian education, in order that they may enter fully into Canadian life as properly equipped citizens, is given in the person of Prokop Magera, a settler of many years' standing in the Bon Accord district, north of Edmonton.

Magera came to the province many years ago, and took up a homestead. He has always had keen ambitions for an education for his family, and as a result, to-day he has a son and a daughter attending normal school at Camrose, a son and daughter attending high school in Edmonton and another son preparing to take the course in agriculture this term at the Vermilion School of Agriculture. In addition to this he financed the son of an old friend of his for his school and college course, and this boy, as a result of the financial aid given him by the little Ruthenian homesteader, was able to complete his education and take an arts master's degree in one of the Eastern universities.

And yet we are informed that not only are the quota laws rigidly enforced against such immigrants entering Canada, but that rulings on unimportant technical points are at times employed to keep them out of the country.

Canada wants not only settlers of British origin, but those from other countries who are willing to work and observe the laws and customs of the land of their adoption. Experience teaches that they or their children usually become good Canadians. A new country like Canada cannot afford to be too particular about the nationality of its immigrants. The big thing is to keep out the agitators, and they do not come from any particular country. There are many trouble makers in Canada who came here from the British Isles and the United States.

NEWS WHEN IT IS NEWS

MANY observers believe that the Duncan coal commission is laying the foundation for future trouble by its attitude on the question of publicity for its hearings in Cape Breton. A staff of eight shorthand writers is taking and typing daily the most elaborate report in the history of such affairs in Nova Scotia, but the commission refuses to give or sell a copy to individual newspapers or the Canadian Press.

Although the sessions are technically open to the public, reporters are allowed to attend only on condition that they print nothing except the brief official resume given out by the board at the end of each session.

Protests that such a course is neither necessary nor expedient have failed to move the chairman, Sir Andrew Rae Duncan, who evidently does not much understand the temper of the country. The Nova Scotia miners are the most suspicious mortals on earth. Previous commissions have lost the confidence of the men simply because they held one or two closed sessions for the purpose of receiving confidential cost data which the operators held should not be made available to their competitors. From this it is easy to estimate how enthusiastic the miners are going to be over a board that forbids the reporting of a majority of its sessions.

Whatever good reasons Sir Andrew may have for his attitude, it would seem to be important that in this inquiry the facts brought out should have wide publicity. That will only be obtained by making them available as news as they are available. Whatever the custom in England, newspapers in this country will not give much space to information as passed on by the commission in its report because the public has been educated to getting its news while it is news.

FARMERS NOT COMMUNISTS

STEP by step the "dictatorship of the proletariat," which was the basis of the Russian Revolution of 1907, is retreating into the limbo of forgotten things; the leaders of the proletariat are turning from the city worker to the peasant, hoping thereby to retain their power as the real dictators of the Russian people.

In their desperate struggle to retain power, the Bolsheviki have been forced to surrender one principle of economic and social theory after another. The American Exchange-Pacific National Bank points out that as a result, Russia is to-day basically more of a "capitalistic" country than many which have never passed through the ordeal of armed revolution.

Thus does history repeat itself: erstwhile apostles of economic uplift settle down to enjoy the exercise of the power wrested from the regime which they overthrew. To-day the Bolsheviki are preaching the doctrine of the dictatorship of the proletariat in every country except Russia. Elsewhere it is still a theory and a slogan; in Russia the dictatorship of the proletariat is no longer a conjuring phrase, it is a defeated and discredited programme.

The Russian peasant is and always has been a capitalist. He is not political minded and shows little interest in the affairs of government as long as government leaves him to manage his own property and conduct his own affairs in peace. And the same is true of the farmer of Canada and other countries. Political movements among the agricultural classes have always been short lived.

SERVING BY STANDARDIZATION

IN CONSIDERING the present money situation in its latest mid-month review, the Irving Bank-Columbia Trust Co. calls attention to a factor not usually observed, but having its effect upon the money supply. This appears in the Simplified Practice inaugurated by the Department of Commerce under Secretary Hoover, and which has brought about a standardization of manufactures in several important directions.

Producers, distributors and users have come together in the manufacture of paving bricks, minimizing the excess varieties in shape, size, quality, process, composition, and other characteristics. There were formerly 66 varieties of paving brick. Now it is found that ony five are necessary to meet all demands. The styles of woven-wire fencing have been reduced from 552 to 69. Where 78 sizes of bedsteads, springs and mattresses were formerly manufactured, only four are turned out now. Bolts and nuts for farm machinery have been reduced from 1,500 varieties to only 840. Hotel chinaware has declined similarly from 700 to only 160 kinds. Nine types of milk bottles now do the work of 49. Householders have learned to get along with 24 different kinds of metal lath, as against 125 formerly. Several other items used in building construction have been simplified, to the gain of all concerned. The lumber industry thus taught itself to economize by standardization, to the extent of nearly $200,000,000 last year.

The good work, the bulletin says, is going on steadily in a widening circle of industries, and a list of 16 or more different trades are quoted where highly practical innovations have been made in the direction of greater simplicity, and the work has only just begun. Secretary Hoover, the bulletin says, by this one act alone, has well earned immortal fame in the history of American business.

EDITORIAL NOTES

IT SOUNDS very well to talk about an international agreement for the abolition of submarines, but does this not provide a great advantage in time of war for the nation which may prefer not to live up to the agreement?

* * *

AFTER returning from Canada Sir Robert Horne told an audience in Scotland that he could not imagine "that any man here would rather have a precarious existence, dependent upon charity, than go to the great Dominion and gain a free existence for himself by the sweat of his brow." Sir Robert's advice would be more effective if steps were taken to curtail doles in the case of those situated so as to be well able to follow his suggestion.

* * *

THE St. John Globe objects to the view of the business community as expressed by The Financial Post that "expenditures on public works should be suspended for a term of years or until conditions improve," in view of the fact that further expenditures on St. John Harbor are being asked for. It may possibly be that even under the conditions prevailing certain expenditures on public works which assure immediate returns in enlarged commerce are justified, and it may be that additional berths for St. John harbor come in this class, but this point should be decided by shipping experts, and not by public opinion in the constituency.

THE REVOLUTION IN RETAILING — No. 3

Mail Order Houses Have Faced Serious Problems

Rise in Small Town Store and Development of Good Roads Have Greatly Impaired Their Sales—Yet They Are Still Selling Large Amount and Making Money

By B. T. HUSTON.

IN ANY comprehensive study of the mail order question, some of the subjects that have to be considered are:

Rapid advance in sales during the war period and consequent lowering of quality of goods sold.

Development of the automobile with the coming of good roads.

Assortment of goods offered.

Development of city business by mail order houses.

Types of sales people.

Each of these has a definite bearing on the quantity of mail order business passing in Canada to-day—some tending to reduce, others to increase it. Let us explain them in more detail.

Palmy Days Have Passed

Back in the years 1916 to 1919, when goods were hard to get, anybody could sell practically anything by mail. The public wanted the goods and were prepared to pay the price for them, and to take a chance on getting what they expected they were getting. It was a well-known fact that quality, during those years, was lowered on many lines of merchandise. The goods did not stand up under the test of actual usage. People began to lose faith in mail order goods because of the inconvenience and difficulty in exchanging them or getting their money back. While this condition did not apply so much to the larger firms as the smaller fly-by-nights, nevertheless all were guilty to a degree.

Thus a new era in mail order selling came into existence. To regain the confidence of the public that bought from the catalogue, the mistakes of the war years had to be lived down. Some haven't yet lived them down completely. Mail order sales dropped following the year 1920 by millions of dollars. General conditions helped to accentuate sales decline. While we have no figures showing sales of the larger mail order companies in Canada, we know that Sears, Roebuck & Co., of Chicago, reached the peak in 1920 with a volume of $245,000,000. Sales dropped consistently the next couple of years, and, although they have since been going up, the 1924 volume was only $206,000,000. It is anticipated that 1925 will see them almost back to the 1920 peak figures. Many mail order houses, too, lost considerable money at the time of the rapid deflation. Some got from under remarkably well by foreseeing the downward trends. But others suffered huge losses.

Effect of the Automobile

As far as the automobile is concerned it has undoubtedly changed the complexion of the mail order business considerably. With good roads, the farmer in the outlying district has been able to visit his home town more frequently. He even goes through it to a bigger centre farther on. Those merchants who have been keen to sense his greater mobility have put their houses in order to get some of the business that used to go through the mails. There has been a decline in the rural population as compared with urban, which again has affected mail order sales. It is commonly known among the trade that in some departments it is more difficult than ever to make profits, while in others profits are going up. Take women's ready-to-wear goods like suits and coats: rapid changes in styles have been taking place, and hand-to-mouth buying has enabled merchants to follow more closely on the heels of fickle fashion. This is making women more interested in what their local merchants are showing in these lines. In other words, women want to see the styles they are buying. The same applies to men's clothing. Men's styles have been changing rapidly in the last few years, and this has meant a fairly definite decline in mail order sales.

On the other hand, the business in such lines as shoes, millinery and underwear, where goods are more standardized and where sizes at the same time are uniform, has been coming along strong. On the whole, the large mail order houses in Canada are still doing a big business and making good profits.

Two Per Cent. of All Trade

It has been estimated that the mail order trade at no time has amounted to more than two per cent. of all the business done on this continent. The increase in population and general business has meant a proportionate increase for them, but still they have never been able to do more than that two per cent. One of the tendencies of the times is observed in the United States, where Sears, Roebuck & Co. have gone into the chain department store business in some of the larger centres so as to cut into the 98 per cent. which has been done by established department and specialty stores of all kinds.

The matter of assortment has always been held up as one of the strong points of the mail order house. The local merchant cannot compete in assortment. The tremendous buying power of the big firms enables them to send their representatives all over the world, and with their various types of customers, has meant they could get rid of a wide assortment and a big range of goods. This has been a strong magnet in attracting the buying public. But the aggressive merchant knows that wide assortment isn't everything. He knows that by studying the likes and dislikes of the people of his community he can purchase the goods they will buy. To-day it is a question of him studying what the people of the district require and stocking these goods in the proper quantity. At every hand one finds merchants who are not worrying over assortments of mail order institutions.

Selling in Other Big Cities

Having lost considerable of their business in the rural districts on account of the trek to the city and because of good roads and the automobile, the mail order house has turned much of its attention to the larger cities. It is a fact that big department stores in Toronto are doing a tremendous business in centres like Montreal, Hamilton and London. This is really one of the most sensational developments of the mail order business, especially because of the populations in these big cities. The same thing is happening in the United States; 12 or 15 years ago there was one western mail order house who had some 35,000 New York names on its lists, and that was considered extraordinary. To-day the number is more like 150,000. One authority states that between 300,000 and 400,000 people in Greater New York are customers of mail order houses. This indicates the opportunities for that type of business, and it also demonstrates that the city merchant has a big problem to solve in the matter of keeping home trade at home.

Discourtesy Helps Mail Houses

While it may not appear on the surface, the type of salespeople in the local store has a great deal to do with the mail business. Discourteous, incompetent, indifferent sales-people who lack knowledge of the goods, are one of the biggest advertisements the mail order people have. The fault, too, must be laid at the door of the employer himself. Mail order houses have almost perfected their policy of fair and civil treatment with their customers. "The patron is always right" is their motto. Aggressive and efficient retail merchants have long since learned this great lesson, and they are profiting by it to-day.

Catalogue houses through their plan of local warehouse shipping units have been reducing transportation costs. They have no big outlay in elaborate displays, high rents, and their centralized buying, as well as their great buying power, enables them to lay down their goods at a reasonable price—and price is a big consideration in the transaction of trade and commerce to-day.

This article has been designed to outline the problems of the catalogue house as they exist to-day, and to indicate the trend and development of factors that have a bearing on whether their business is to increase or decline. In a later article in this series, evidence will be presented to demonstrate that the live, wide-awake, local merchant has an important standing in the community, and that he will continue to secure the great bulk of the business.

"Hand-to-Mouth" vs. "Placing"

One of the biggest problems of the manufacturer and the wholesaler to-day is in the fact that dealers do not "place" their orders ahead to the extent they formerly did. Hand-to-mouth buying is the order of the day. Is it going to become the fixed buying policy of merchants? That question is much discussed. Next week's article in this series will discuss the question of "placing orders" and "hand-to-mouth buying."

This series of articles is being prepared under the direction of B. T. Huston, managing editor of Dry Goods Review, Canadian Grocer and Men's Wear Review, sister publications of The Financial Post.

Geo. H. O'Neil, 43 Years Old, Has Had 43 Years' Hotel Experience

Accident of Birth Has Paved Way for Him to Pinnacle of His Profession — Will Now Manage 23 Houses Catering to 15,000 Guests

Fortune, it is frequently said, is an accident of birth. George H. O'Neil, of United Hotels Co., while not born with the proverbial silver spoon in his mouth, is employing the accident of birth to the fullest in the making of a successful career. In his case, the accident was that he was really born in the hotel business. He has been in it ever since. So that though he is only 43 years of age, he can be said to have 43 years' experience in hotel life and business. He has now been appointed vice-president and chairman of the department of operation of the United Hotels of America.

Speaking of accidents, Mr. O'Neil's success in life can be attributed to several successful accidents. The first brought him into the hotel business at birth. The second gave him a great ability as a mixer, a general aptitude in meeting the public, and making friends, and a third threw him in touch with the United Hotels people of New York, and as a result of all three he stands to-day on the pinnacle of his profession as a hotel manager, on this continent.

For the past few years, Mr. O'Neil has been general manager in Canada for the United Hotels Co., operating six hotels. At the same time he managed four hotels of the same organization located in the United States, and which were close to the Canadian border. In addition, he is sole owner and proprietor of the Tecumseh House, London's leading hostelry. It has just been announced that he is to come in for bigger things. He is to move to New York, the head office of the United Hotels, as vice-president of the company, and chairman of the Department of Operation, which is nothing more or less than a dignified way of saying that he is going to be general manager of the whole institution.

This is a big task for one man. United Hotels operate six hotels in Canada and 17 in the United States. These have a total accommodation for 14,000 to 15,000 guests at one time. The value of the houses involved is impossible to estimate, suffice to say that the six largest cost from $12,000,000 to $15,000,000 each to construct. The number of employees will figure out around 10,000 to 12,000, and the gross income from all the houses is estimated this year at from $25,000,000 to $30,000,000.

Another way of visualizing the size of the operation which Mr. O'Neil is taking hold of, is the following table, which gives the name of each hotel and the amount of stock each has issued. Funded debts are not included. The list of hotels follows:

	Pref.	Com.
Admiral Beatty, St. John.	$750,000	$750,000
Bancroft Hotel, Worcester	......	237,500
Clifton, Niagara, Ont.	......	350,000
Niagara, Niagara, N.Y.	......	......
Connaught, Hamilton	149,500	150,000
Durant, Flint	1,000,000	500,000
Utica, Utica	200,000	200,000
King Edward, Toronto	......	1,000,000
Lawrence, Erie	......	150,000
Mount Royal, Montreal	6,603,600	6,000,000
Rochester, Rochester	......	5000 shs.
Onondaga, Syracuse	370,000	370,000
Penn-Harris, Harrisburg	50,000	200,000
Portage, Akron	75,000	75,000
Prince Edward, Windsor	908,500	908,500
Robert Treat, Newark	150,000	150,000
Seneca, Rochester	764,450	3,500 shs.
Stacy Trent, Trenton	50,000	5,000 shs.
Ten Eyck, Albany	......	300,000
Rosevelt, N. Y. city	3,500,000	65,000 shs.
Olympic, Seattle	750,000	7,500
Benj. Franklin, Phila.	2,000,000	15,000 shs.

GEO. H. O'NEIL

George H. O'Neil first saw the light of day in a hotel at Birr, on the 13th concession of London Tp., 10 miles north of London. His father kept this hostelry and later was similarly engaged in London, Lucan, Exeter and Aylmer. In those days the country hostelry did not carry the reward of opulence any more than it does to-day. The son, George, went to school until he was 13, and then took his place as chief assistant to his dad. The latter, by the way, got his training from his parents, who were also in the hotel business, as were their parents before them. When the head of the family died in Aylmer, the son took hold and here he got his first test as a manager. He was then not quite 19. He made a success of managing and later in selling it. Then he started out in the world. He knew one thing and knew it well, the hotel business, and so he landed in Toronto and went clerking for George Graham in the Iroquois Hotel on King Street. Later he went to the Royal, Hamilton, and then the Benson at Lindsay.

Then he stepped up into bigger company, assuming the post of cashier in the King Edward at Toronto at the age of 22. Mr. O'Neil seems to have had the tendency to go back, however, as he later returned to the Benson House at Lindsay, this time as proprietor. In 1906 he sold it and then returned to London as proprietor of the Tecumseh House. Not many years later he was back at the King Edward as manager.

Good Player Also

Love of play as well as hard work, really started Mr. O'Neil on his way to present position high in the councils of the United Hotels Co. Always a lover and supporter of sports of all kinds, he became interested in the London baseball team. Later he became interested in the Youngstown, Ohio, club, with Barney Dreyfuss, owner of Pittsburg Nationals, and later placed a professional club in Erie, Pennsylvania. This took him to Erie many times, and he became acquainted with the operating head of the United Hotels in that city. Later he met him in Toronto. United Hotels had just completed the Royal Connaught in Hamilton. Mr. O'Neil assumed that the Erie man was going to take charge, but was informed that the manager had not been chosen. Jokingly, Mr. O'Neil told him that when they wanted a good manager to come to him. His words came home to him soon after, for they did. It was 1916 when they asked him to manage the Royal Connaught. In two years they got to like him, so well that they placed the King Edward, Toronto, under his guidance. A year later the Clifton at Niagara. Then came the Prince Edward, Windsor; Mt. Royal, Montreal; Lawrence, Erie; Portage, Akron; Durant, Flint; Niagara, Niagara, N. Y., and Admiral Beatty, Saint John, N. B. All the time he continued as proprietor of the Tecumseh, London.

That's about all. Mr. O'Neil proved quite reticent when asked to discuss his career, and was much like the proverbial clam when pressed to put his finger on the factor that has made for his success. However, we believe we have summed it up fairly well in the statement in regard to his ability to meet the public and his general aptitude for hard work, plus a knowledge of the hotel business.

Mr. O'Neil has yearly figured in an interesting contest, the O'Neil golf championship between himself and H. E. O'Neil, also a former Londoner, and now a director of Woolworths, New York. The prize is a gold medal, which the hotel man at present wears, having bested the merchant in the 1924 contest. Both have been too busy to get around to the 1925 contest as yet.

Day of Press Agent is Rapidly Passing

The doom of the press agent and the end of so-called free space grabbing in American newspapers was predicted by Joe Carmichael, director of the Iowa Committee on Public Utility Information, before the convention of the American Gas Association at Atlantic City, on Wednesday. He said:

"The newspapers are becoming less disposed to be imposed on. They are differentiating more carefully between what is legitimate news and what is advertising.

"The public utilities being industries which affect vitally the very core of our national economic organization, furnish much matter for news and editorial discussion. But they have come to realize that the burden is on them to explain the fundamentals of their peculiar organization to their customers through the advertising columns of the newspapers, as well as to use this means to increase the sale of their service, their appliances and their securities.

"These committees on public utility information were not organized as some others were to get free space to advertise theatrical or other amusement performances, or to promote the political ambitions of an individual or a party. Nor were they organized to sell more gas or electric or telephone service or to get more people to ride on the street cars.

"They were organized to make the people realize that public co-operation is absolutely necessary if good dependable public utility service is to be given."

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Your Investments

Questions of general interest submitted by subscribers of The Financial Post will be answered in this column, in which case only initials will be used. Other inquiries will be answered by mail. A three-cent stamp should be enclosed to cover a direct reply.

B. A. Oil

C. H., Moose Jaw.—Would you consider British Amreican Oil shares at $44 a good speculative investment for a business man?

British American Oil is well regarded. Some brokers in advising clients to purchase the stock are predicting an increase in the dividend to 10 per cent. with 2 per cent. bonus.

Castle

W. G., Guelph.—I hold 100 shares of Castle Trethewey Mines. What is your opinion of it?

Hold Castle shares. Early next year this stock should go on a dividend basis and it would not be surprising if it sold somewhere above $2. McIntyre has slumped a little from the recent high but we regard it as being as good a buy as ever. As a hold it should bring a good reward in the shape of profits.

Steels Consolidated

Inquirer, London, Eng.—What happened to shares of L. R. Steel and Steel Realty.

Steels Consolidated, organized by the Protective Trust which was a shareholders organization got together when L. R. Steel Co. went under, has taken over the Steel assets. Funds were secured by original shareholders paying 10 per cent. on their holdings. The new concern is operating 46 stores and liquidating what other assets that were taken over.

Consolidated Gas

J. W., Quebec.—I own 100 shares of Consolidated Gas, bought at 92¼, and would like your opinion of this stock.

Consolidated Gas has outstanding 3,600,000 shares on which the company in 1924 earned $7.51 per share and paid $5, $1.25 quarterly. You evidently purchased at the October high, which our records show was 92¼, low 89¾. The September high was 94½. In 1924 the range was 60⅞, 79¾.

The stock is well regarded and the position of the company strong.

Monarch Mortgage

R. B., Ontario.—What is your opinion of Monarch Mortgage and Investments 8 per cent. preferred shares, and the people who are managing the company?

Monarch Mortgage deals in second mortgages. When the realty situation is good, these companies, if on a sound basis and under skilled management, have a good chance to succeed. The trouble with the most of these concerns is that their capital is small and they experience difficulty in taking full advantage of their opportunities. The people behind Monarch Mortgage stand well.

Gardner Ginbord

Montreal Visitor, Toronto.—What is the present condition of the Gardner Ginbord Gold Mine? To what extent has it been developed and what are the prospects for the company?

Gardner Ginbord mine is closed down for lack of finances. Some surface prospecting as well as a small amount of sinking has been done, but not sufficient to test out the property. The claims are a prospect that merit the expenditure of a limited amount of money. The area has never been tried, so that it is difficult to size up its possibilities.

Dominion Combing Mills

M. D., London.—Having two shares of preferred and four shares of common capital stock of Dominion Combing Mills, I would be very much obliged if you would give me your honest opinion as to this stock and what you would advise me to do with it.

You would have to sacrifice your Dominion Combing Mills shares at the present market. The company seems to be making progress and you would perhaps be well advised to hold on. The present low market is due to dissatisfied holders throwing their shares on the market. If the company reaches the dividend stage which seems to be a good prospect, this selling might dry up considerably.

C. W. Dome

R. B., Alberta.—Please tell me what has happened to C. W. Dome Lake. The stock has been slowly dropping in price and I have not read a word of news concerning the mine for over a month.

It is difficult to size up C. W. Dome situation other than to say that the proposition is living a hand-to-mouth existence. It is just paying expenses and does not seem to be able to get any ore ahead. There is, of course, the possibility that they will run into a good shoot of ore which would change the complexion of the whole venture over night, something like what happened to Teck-Hughes a couple of years ago.

Argonaut is in a difficult position and must face new financing plans. It is hard to judge its prospects.

Well Diversified List

C. W., Ontario.—I wish you to criticize the following investments and advise me if I would be wise in making any change in same: $1,000 Dom. War Loan due 1931; $2,000 C.P.R. 4½ per cent. bonds, due 1944; $3,800 Huron & Erie Mortgage debentures; $1,000 Victory Loan due 1927; $1,000 Spanish River 8 per cent. general mortgage bonds, due 1941; $1,000 Dom. of Canada bonds due 1932; $2,000 St. Maurice Power 6½ per cent. first mortgage, due 1953; $4.500 Prov. of Ontario debentures; $1,000 Saskatchewan debentures, due 1936; $1,000 Alberta debentures, due 1936; 1,000 shares Vipond Mines; 1,000 Teck Hughes; 100 Abitibi common shares; 100 McIntyre Mines.

You have a well-selected and diversified investment holding. Your speculations in the mines are all good and should show substantial profits in the next couple of years. Your Abitibi common may depreciate, if there are further declines in the price of paper, but you are justified in taking this risk because of the sound position of your other holdings.

You have a good income assured and are certain to come in for considerable speculative profits.

Twin City

Banker, Ontario.—I shall appreciate an expression of your opinion as to the present worth and future prospects of Twin City Rapid Transit common stock which, I understand, is selling in the sixties. A friend of mine, a widow, who bought this stock in the nineties has asked me if she should sell or hold.

The outlook for Twin City is not unfavorable. The company seems to be taking steps to overcome this by installing buses to act as feeders for its traction lines in Minneapolis and St. Paul. The fare question is also a problem.

For 10 years to the end of 1924 the company earned an average of $4.98 per common share. This year the Minnesota Railway commission fixed the value of the Minneapolis Street Railway at $25,346,080, and of the St. Paul City Railway at $15,998,849, but deferred action on the rate of fares. On December 31, of last year, current assets totalled $1,269,900, while current liabilities were $1,744,500, leaving a deficiency in working capital of $474,604, compared with $662,378 at the end of 1923. The main item on the liability side is $1,256,308 in taxes.

One of the company's subsidiaries sucessfully refunded $5,000,000 7 per cent. bonds with a $5,000,000 issue of 5½ per cent. first mortgage notes, due in 1928. Another subsidiary has an issue of $10,000,000 bonds, also due in 1928. These bonds are guaranteed by the company, which has no funded debt of its own. Dividends on the preferred stock have been regularly paid since 1895. Only $210,000 per annum is required to pay the dividends on the preferred, which is regarded as an investment issue. Dividends on the common have been paid in varying amounts since 1899. In June, 1924, the rate was reduced from 6 per cent. per annum to 4 per cent. per annum.

The State Railway Commission this year authorized an 8c. fare, or ten tickets for 60c. and the Federal Court ordered such a fare to be put into effect August 1, to continue for six months, while the Courts determined a fair rate. The company wanted a 7 cent. fare, but has reached a compromise of an 8c. cash fare or 10 tickets for 65c. This brings an end to costly litigation and from now on the company should do better.

Well Selected List

Merchant, Saskatchewan.—I hold the following securities: Victory Loan $200; Dom. of Canada 5 per cent. $$600; Prov. of Ontario 5 per cent. $500; Prov. of Ontario 6 per cent. $500; C.P.R. 5 per cent. $300; Prov. of Saskatchewan 5 per cent. $500; Prov. of Saskatchewan 6 per cent. $300; Prov of Manitoba 4½ per cent. $500; Lake Shore Gold Mines 100 shares at $3.59; Vipond Mines 200 shares at $1.06 and $1.29; Abitibi common 1 share at $60; life insurance $8,000. My business is solvent and allows me to invest about $1,000 per year. Started three years ago with $2,500 I wish advice as to buying more Vipond.

Your list of investments shows careful selection and study. It is on a sound basis, ensuring a good income. Your bonds are well diversified. Your two mining stocks are good ones. Lake Shore has more than doubled while Vipond is where you purchased it. It looks like a speculation that in the next couple of years will work out well. You might do worse than buy more.

Castle at $1.40 is regarded by some as high, but early next year I think it will pay dividends and should sell up. Canadian Lorrain at 80c. should in a few months show a good increase in market price and reach the dividend stage towards the end of 1926.

All Good For a Hold

Reader, Shelburne. — Kindly advise which of the following stocks you think would be best for a long pull, say five years: Brazilian, Steel of Canada, Brompton, Southern Canada Power, com., Laurentide Pulp, and Quebec Power com.

Southern Canada Power and Quebec Power represent a part ownership of two public utility companies, which should show a growth during the next five years. The future for both these companies appears to indicate nothing but a steady and continued growth—this can be readily seen by the yield of both stocks. The Quebec Power Company is controlled by the largest power interest in Canada, the Montreal Power-Shawinigan group.

Brompton Pulp and Paper has laid a good foundation upon which to reap future profits. It is exceptionally fortunate in its possesion of tremendous forest resources—a fundamental factor which, in the long run, must count. The company's two American mills have been readjusting themselves to changed conditions in the paper market in the United States. It is the transition period which has made dividends on the common stock impossible.

Laurentide possesses a strong, capable management, which has built up the company's financial position. One of the chief aims of the Laurentide management seems to be to build up the company to such a position that, humanly speaking, a passing or lowering of its dividends would become impossible.

In picking Southern Canada Power, Laurentide and Quebec Power, you have chosen three stocks which should give you good profits if tucked away in your safe deposit box. Brompton, on the other hand, is more speculative and, consequently, with this stock you might expect greater profits, if held over a term of years.

Brazilian has speculative possibilities, as any improvement in Brazilian Exchange will materially improve the dollar earnings of the company.

Steel of Canada common is steadily working into a better position. Investment income now about equals the bond interest, leaving operating net to care for preferred and common dividends.

POST-Scripts

THE telephone is becoming more and more a factor in retail merchandising. It is helping the independent retail merchant to combat chain store competition. The chain stores, in the main, do not use the telephone to sell. In fact, some of them will not permit their telephone numbers to be listed in the telephone book. Lord's at Windsor, Ontario, for instance, is not listed in the telephone book. In Toronto. the Loblaw Groceterias do not sell by telephone, and will not give prices to customers asking for information.

IS THE chain letter in renaissance? A Toronto man has just received a chain letter that has already accomplished the major part of its good-luck job of encircling the globe three times. It passed through the American army, the Japanese navy, the German air force, through Scandinavia, the "movie" colony at Hollywood, New York financial circles, then up to Montreal, and to Toronto where this particular branch of the original chain came to a halt. The recipient estimates that if everybody who had received one of the nine original letters in this chain had sent out the requisite further nine, and those nine had sent out, etc., and so on, ad infinitum, already, the world would be piled nine feet deep with letters.

* * *

BUT the newest in chain letters is not so innocent a pastime. A number of clever shysters have applied the chain idea to a business, and Canadian as well as American women are being taken in by the scheme. The plan is simple: a firm offers a customer a contract with three coupons. The woman pays $4 for the contract. She sells the three coupons to her friends for one dollar apiece. Then when each of the three friends has sent in three dollars for similar coupon outfits to peddle to their friends the original purchaser gets $10 worth of silk hosiery. On and on goes the scheme, and, so long as there is no break in the chain, the women continue to get their hosiery cheap, $10 worth for $1.

* * *

THE joke lies in the fact that the firm is continually piling up a very real future liability. While there will always be enough money coming in to pay for the hose actually going out, there will be nothing to set up a reserve for the deferred orders. Eventually the bubble will collapse and the unhappy women then holding coupons will get nothing.

The United States government has barred the mails to these companies, but they are fighting the ruling in the courts, and in the interval the scheme goes merrily on, with Canadian women being induced to hazard their good money, regardless of the fact that no one can take more out of business than they put into it.

NOT often is the public let behind the scenes in retail merchandising. Store organization is something that is usually taken for granted. Its very inconspicuousness is usually the measure of its merit. Recently, a big Toronto store held a special two-week's selling event. The public saw only many extra pages of advertising of special bargains and, perhaps, noticed the color tie-up of window cards, store decorations, bags, wrappers, etc. But they did not know that behind the scenes was being waged a fierce competition between the various departments, with prizes for the departments getting the highest percentage of their quota. When a department won a prize, every one in that department shared in it; from the manager down to the stockkeeper and the parcel girl. Incidentally, the department that won the sweepstakes prize was the fur department. In the middle of the sale, a cold snap came along and the other departments did not have a chance.

A Windsor, Ontario, store ran a similar sale about the same time. In this case, the public were let in on what was going on. A large chart in the centre of the store showed the progress of the race between the different departments to attain their quotas.

H. F. VAN SCOYOC, publicity manager of the Canada Cement Company, who was formerly president of the Montreal Press Club, and is an engineer of high repute, got off a neat remark the other day that showed the value of good roads to the small town merchant.

Gordon Rutledge, manager of The Financial Post, Canadian Grocer, Dry Goods Review and Men's Wear Review, was addressing the Montreal Publicity Association at their weekly luncheon. His subject was: "Here and There With the Retailer." He instanced a retail merchant at Burlington, Ontario, on the Toronto-Hamilton Highway. "That million dollar highway, running by that merchant's door, is a constant invitation to the people of Burlington to motor in to Hamilton to do their shopping," he remarked by way of showing the big problems small town merchants are successfully facing by selecting goods which will hold their customers.

When Mr. Van Scoyoc got up to move the vote of thanks to the speaker, he showed another angle to the question. "There are 20,000 cars a day going along that highway. Averaging four people to the car, that means that 80,000 peopde pass the Burlington merchant's store every day. That is a whole city. The merchant's job is to get the trade of that moving city."

Incidentally, Mr. Van Scoyoc had something to do with bringing that "city on wheels" to Burlington, for he was chief engineer of the highway when it was being built.

Current Opinion

PREMIER BRUCE'S VICTORY

Toronto Globe:—The victory of the Bruce Government in Australia will be regarded as an effective blow to communism and as a declaration by the people of the Commonwealth that they will no longer countenance movements against social order and good and efficient administration.

The fight was a straight and uncompromising one between the most extreme form of Labor agitation and the forces seeking to maintain the principles of constitutional government.

HEALTHY AND DRASTIC

New York Sun:—The crash in the price of Wall Street securities this week was a healthy thing for the market and a cruel thing for the sporadic investor. One does not mind so much if the fellows who make money out of the market have to pay the price of recklessness in these crashes, but he does mind very much when the people who know nothing about the market, who earn their money in toil, in industry, in business, in professional or clerical callings are the victims. Such crashes usually make very heavy losses for them, often losses that wipe them out altogether. As well trust one's self to a high speed automobile whose brakes have gone dead as to trust one's self to a boiling market whose brakes have gone dead.

And it always happens this way that the men and women who have no business to go into the market and no real intention of going into the market but, finding themselves unable to resist the glittering, bounding figures, make the plunge just in time to catch the crash. And the worst of it is that the highly speculative securities doing the greatest stunts grip these novices the hardest.

To the men who know finance, values, and what it all means, the wildness of the market in these recent weeks and particularly in the last few days, made certain this reaction. The wonder is that the frenzy held on so long. There is a point beyond which speculation cannot go without inviting and getting just this sort of reaction. Sanity is quite as important in financial markets as it is in all phases of endeavor, in life itself.

ALL COVET, ALL LOSE

London Free Press:—Canada has been suffering severely these past years from the inordinate taxation of industrial, labor-employing production.

The result has been a slackening up of investment in industries, decreased production, unemployment and tax evasion by every legal and sometimes illegal means. So we have four distinct losses to a country which is in dire need of all four sources of expansion and of revenue.

Tax evasion means idle money so far as governmental revenue is concerned, as also a moral loss to tax evaders.

Unemployment means depopulation and consequent lessened home markets.

Underproduction means high prices on the necessities of life.

Timidity in investment means general stagnation in the business world.

STOCKS AND BONDS

Wall Street Journal:—Some of the investors who have recently disposed of their bonds to buy stocks because of the upward gyrations of the latter which they thought promised great increases in their capital in a short space may not be so enthusiastic after they note some of the reactions in recent trading days. Bonds may not furnish the same kick as speculation in stocks does, but they allow one to sleep far more comfortably. Occasionally one does buy a bond which gets into difficulties, but when you look over the stock market page and see where one issue opened off 11 points and another declined 20 points on two or three hundred shares it's something of a relief to turn to the bond page and see changes of an eighth or a quarter. Speculation in stocks furnishes the kick, but respectable bonds rarely turn about and boot the investor out of the back door and put him back to carrying a dinnerpail.

The Post's Taxation Policies

Editor, The Financial Post

Three things I think most important:

(1) Would be a tax on the ordinary newspapers and periodicals entering from the United States.

(2) Tax on exportation of raw products.

(3) Instead of spending our taxes on immigration devote the same sum annually to making home life on the farm more easy by cheap water and cheap electricity.

—B. G. H.

Invermere, B. C.

Your observations on the taxation problems in Canada are eminently sound and in keeping with the policies advocated in The Financial Post.

We have been consistently in favor of a tax on American newspapers and magazines — particularly the magazines, because they advertise goods which are sold in Canada in competition with Canadian products. These magazines, by their big circulations are not only providing unrestrained competition for Canadian publications which have to face much more difficult conditions, but they are a big factor in merchandising foreign products in competition with Canadian made goods. We believe therefore that they should be taxed, perhaps on the basis of the amount of advertising carried.

As you probably know, we have consistently supported the policy of the conservation of our raw materials for Canadian industry—that is to export finished products rather than raw materials. To this end we have favored embargoes or taxes, where such embargoes are not feasible, or until such time as foreign industry can adjust itself to an embargo. In a word this means to give American manufacturers using our raw materials an opportunity to move their plants to Canada or build other mills here.

We quite agree as to the policy of an agricultural country like Canada making it easier and more attractive to live on the farm. However, this is a policy in regard to which some caution must be exercised. A great many people have the idea that electricity is always cheap. Like any other commodity, it depends on the cost of production. There are some power developments in Canada which will never be economically satisfactory because the capital cost involves an overhead charge in interest out of all proportion to the amount of power generated. Likewise there are limits upon what can be spent satisfactorily for the distribution of electricity to farmers, In Ontario we have contended that it would be sound business for the government owned hydro to contribute something as a bonus towards cheaper power for the farmers because the Hydro takes its power from a resource owned by all the people of the province without paying any rental. whereas the benefits go only to those who have access to the power. We believe the government should pay a fair rental for the use of the water powers developed and this sum might very well be used to facilitate the distribution of power to a larger number of people.—Editor.

Increased Buying Power

What influence is this year's crop exerting on Canadian business? An interesting diagram on the comparative movement of commodity prices, factory and farm, is a feature of current number of Greenshields Review. Copy on request.

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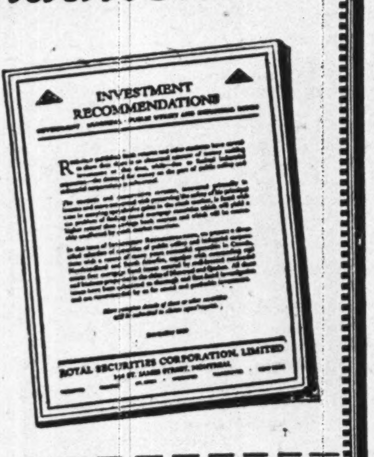

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We recommend the above bonds for sound investment and upon request will furnish full particulars of the issue. We shall also be glad to forward a copy of our booklet "Sound Bonds of Foreign Governments" which deals generally with foreign government external obligations. Write our nearest office.

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News of the Investment Market

FEW BIG ISSUES ARE SHAPING UP IN BOND MARKET

Slight Firming Taking Place This Week in Some of Federal Bonds

While much is heard about the quietness of the Canadian bond market, the leading houses have been kept reasonably busy during the past few weeks, and a few large blocks of securities have been moving into the hands of the investing public right along, regardless of the scarcity of large municipal issues. When nothing is to be obtained in the way of purely Canadian financing, money, always mobile, is readily turned into American or foreign enterprise. Judging from the number of issues taking shape at the moment, the market will be much busier for the balance of the year.

There is probably something more than purely academic interest in the announcement of the British Exchequer, already referred to in these columns, that the embargo on foreign and colonial loans has been removed. In making the announcement, the Chancellor stated that "without impairing the freedom of the market, preference should be given to those issues bringing a high proportion of orders for goods of British trade."

This would seem to indicate that Canada is again to have the British money market open for the financing of legitimate enterprises, and especially those involving expenditure of funds in Great Britain either directly or indirectly.

Is British Capital Coming?

There are those who believe that this announcement presages the beginning of a new flow of British capital into Canadian enterprises. It is idle to state that this means nothing, because Canada already has more available funds than are immediately needed. It is true that there is more money than is immediately required, but this money is not going into those enterprises which require pioneering and development. It will probably be admitted that Canadian capital does not possess that pioneering instinct which is so characteristic of British capital. Furthermore, the available Canadian capital is counted in thousands, or hundreds of thousands, while millions are needed. In 1913 Britain had approximately $1,860 000 invested in Canada, and this was 77 per cent. of the total outside investments in Canada. At the same time the United States had only 17 per cent. of the Canadian investments held outside. In 1923, however, Britain had fallen back to second place with only 42 per cent. of our securities held outside, while the United States had 52 per cent. It is not improbable that an era of renewed interest on the part of British interest in Canada is impending.

The stock market decline and the indications of an unsound credit structure in the United States, brought to public attention through the warnings of high banking officials, the New York bond market has been subjected to severe selling pressure. Liquidation both in the railroad and industrial lists was general, early in the week.

NEW BOND HOUSE OPENS

Under the firm name of Blackstock & Co., Ltd., a new bond house has opened in Toronto to deal in bonds and mortgages. The new organization has been appointed Canadian representative of J. and W. Seligman & Co., of New York City, one of the oldest bond houses in the United States.

The principals of the new bond firm are Col. G. G. Blackstock and W. R. Thomson. Colonel Blackstock is a director of the Dominion of Canada Guarantee and Accident Insurance Co., and Mr. Thomson was secretary of the Imperial Trusts Co. of Canada.

NEW MUNICIPAL DEPUTY

EDMONTON.—Owing to extreme ill-health, the deputy minister of municipal affairs of the provincial government, J. H. Lamb, has retired, and his place has been taken by W. D. Spence, who for some years has been tax commissioner.

Various Methods Followed in Wholesaling Bond Issues

By W. F. BROWN, Halsey, Stuart and Co.

The following discussion of the methods followed in the distribution of bonds, and the article on the same subject published in last week's issue, have been prepared by Halsey, Stuart & Co., one of the leading investment houses of America. The present article is a description of the wholesaling process. A third article will appear next week.

With the final selection of the dealers who are to be offered an opportunity to join the distributing group, Blank & Co. is now ready to make the wholesale offering. Telegraph, telephone, mail and personal contact are all called into play so that all dealers may have the facts before them simultaneously. There can be no delays in the offering—everything must move with the precision and accurateness of clock work.

Blank & Co. have an extensive sales organization covering various parts of the country, and from a central point its salesmen get in touch with many dealers by telephone, pointing out to them the advantages which will accrue by taking a part in the distribution of the East and West Utility Co. bonds.

Generally speaking, there are two ways in which Blank & Co. may act in making the wholesale offering.

First, acting upon the complete information which they have regarding the distributing ability of various dealers, they may allot each one a specific amount, $10,000, $25,000, $50,000, $100,000, and so on. Customarily, the dealers must accept or reject these allotments by a certain hour on a certain day, for instance by 11 o'clock on the day of the wholesale offering.

Secondly, Blank & Co. may leave the question of amount entirely to the discretion of the dealer. In this case, dealers are notified that their applications, or as they are called in bond-lore subscriptions, will be entered strictly subject to allotment, Blank & Co. reserving the right to close the subscription books or withdraw the offering without notice, reject any or all offerings, and to award a smaller amount than applied for.

In the first instance, each dealer knows definitely to what extent he can sell bonds, as Blank & Co. have indicated that he has a specific amount to sell provided he accepts the allotment. In the second instance, the dealer does not know what amount he will have available for sale until he receives his allotment by telegraph or mail.

If the allotment method were used by Blank & Co., they would simply await advices from the dealers as to whether or not the amounts would be accepted.

Under the subscription method, however, the procedure is more involved. Blank & Co. record the applications as fast as they are received. If the applications do not come up to the $6,000,000 which are to be sold at wholesale, then the banking group, members of which automatically join the distributing group, are liable on a pro rata basis for the unsold balance.

If the applications received total more than $6,000,000, which is far more frequently the case, then it becomes necessary to give dealers lesser amounts than they applied for in order to reduce the total to $6,000,000.

There are several ways in which this reduction is accomplished. First, a percentage basis may be used, that is, each dealer may receive, for example, 75 per cent. of the amount he applied for. Second, it may be decided to give dealers $5,000 on applications for $10,000; $10,000 on applications for $25,000; $20,000 on applications for $50,000 and so on. Third, it may be decided to give dealers who applied for smaller amounts, say $5,000 and $10,000, just what they applied for, and to apply the reductions to applications for $15,000 or more.

It is very frequently the case that dealers who apply for very large amounts are usually subjected to the severest reductions. These large applications are sometimes "padded," as dealers very often foresee that an offering is going to be very successful and so, anticipating that they will not obtain the amount for which they apply, they enter applications for amounts which are actually more than they expect to get, and which they assume may be reduced to amounts which more nearly correspond with what they wish to obtain.

After the allotments for the dealers have been determined, they are notified by telegraph or by letter whether their applications have been alloted as entered, or whether on the other hand they have been allotted a lesser amount.

The wholesaling process has now been completed. Dealers throughout the country have been enlisted in a selling organization which has as its objective, the sale of the issue to the general public.

In the case of our example, Blank & Co. have completed arrangements, so that, usually, on the day after the wholesaling, the investor in Boston and the investor in Los Angeles, the insurance company in Detroit, and the bank in San Antonio, are all being told of the investment qualities of the East and West Utility Co. bonds at the same time.

In a general way, you have been shown how the wholesaling of a bond issue is accomplished. Let us now consider in more detail the characteristics of the various groups, and the several different methods by which the same result may be accomplished.

Actual Methods of Distribution

The wholesaling of securities is generally undertaken through the formation of one of three groups: (1), a selling syndicate; (2) a wholesale group, or (3) a selling group. The objective of all these groups, is, of course, the same, and they are very similar in a great many respects, but, on the other hand, dissimilar in others.

So that our explanation may be clear, let us consider how Blank & Co. would operate in each instance. Remember, that Blank & Co., the "originating house," has agreed to purchase an issue of $30,000,000 East and West Utility Co. bonds, which they will distribute through the country through the cooperation of dealers.

In forming any one of the three groups, the preparations made by Blank & Co. for the offering do not vary, the question being whether the issue can be more successfully distributed by a syndicate, a wholesale group or a selling group.

In the instance of syndicates and wholesale groups, it is generally the case that the offering to dealers takes place prior to the date set for the public offering; and dealers who become members thus have to make a definite commitment prior to soliciting orders from their customers. With the selling group, it is more frequently the case that the offering to dealers and to the public is simultaneous, so that members of the selling group, in such an event, are not called upon to make a commitment without first having obtained orders from their own customers.

Let us assume that Blank & Co. have decided to form a syndicate to wholesale the bonds of the East and West Utility Co. When the wholesale offering is then made, either by the allotment or subscription method, as previously explained, each dealer who agrees to join in the distribution of the bonds becomes a member of the syndicate and the amount of participation he indicates he will accept is his "syndicate interest" or "syndicate participation."

Blank & Co. act as manager of the syndicate and have as their purpose, first, the distribution of liabilities aggregating $30,000,000, the amount of the East and West Utility Co. issue, and secondly, the distribution of the bonds represented by this $30,000,000 in liabilities. In other words, the dealers who become members of the syndicate agree to obligate themselves for the purchase of specific amounts of bonds.

When a dealer accepts or is allotted a specific amount of participation in the syndicate, he is contracting with Blank & Co. to purchase from them a specific amount of bonds. If the dealer accepts or is allotted $50,000 participation, then he agrees in so doing to purchase $50,000 bonds. This liability to purchase a specific amount of bonds may ultimately be reduced, as will be shown later.

When the dealer accepts or is allotted a syndicate participation of $50,000 it does not mean that he has the bonds to sell. He has simply assumed a liability for that amount.

If he desires bonds to sell as soon as the public offering is released he must indicate that such is his desire. To obtain the bonds represented by his participation, he must advise Blank & Co. that he wishes to withdraw from the syndicate the $50,000 bonds represented by his participation.

If a dealer has a participation of $50,000 and withdraws $25,000 bonds, it means that he has a remaining liability to purchase $25,000 bonds, but chooses the opportunity to wait and see if his liability may not be reduced as a result of some other dealer or dealers finding that they require more bonds than were represented by their participations.

If, for instance, a dealer who has a participation of $50,000 and has withdrawn $50,000 in bonds from the syndicate finds that he can actually sell more than that amount of bonds, he communicates with Blank & Co. If there are other dealers who did not withdraw amount of bonds equivalent to their participations, then Blank & Co. are in a position to accommodate him, they having the authority to supply unwithdrawn bonds to any and all members of the syndicate until the bonds are exhausted. Such bonds are known as syndicate bonds of unsold syndicate bonds.

As soon as all of these syndicate bonds have been sold Blank & Co. notify the dealers so that they will discontinue trying to sell bonds which are no longer available.

Upon the forming of the syndicate Blank & Co. as syndicate managers provide each dealer with two copies of what is known as the syndicate agreement. One copy the dealer retains in his files and the other he signs and returns to Blank & Co. The copy he returns is in the final analysis a contract between him and Blank & Co. as in signing it he has agreed to observe the various terms enumerated in the syndicate agreement.

The syndicate agreement sets forth in detail the offering price and permissible discounts, the liability to be assumed by dealers; the rules and provisions to be observed and the rights which the manager reserves. (These usually include the power to change the terms of the offering, to borrow money for the account of the syndicate and to penalize dealers for misconduct).

If any dealers violate the terms of the syndicate agreement, the manager has the power to cancel their participations or penalize them in other ways. As the virtual sales manager for the syndicate, the syndicate manager is responsible to all members of the syndicate to see that its provisions are carried out and that any infractions are stopped. Blank & Co. must themselves observe the same rules as those laid down for the dealers.

In the next article, you will be told about the wholesale and selling groups, and the type of group to be formed.

(Copyright, 1925, H. S. & Co.)

NEW TEXTILE ISSUE MAKES APPEARANCE

Bruck Silk Mills Sells $350,000 Bonds—Has Been Weaving Silk Since 1921

From Our Own Correspondent.

MONTREAL.—A new bond offering, which will widen the investment interest in the textile companies, made its appearance this week in the form of an issue of $350 000, 6½ per cent., first mortgage sinking fund bonds of the Bruck Silk Mills; it is being offered by the firm of Williams, Partridge and Hodgson.

The company was incorporated in 1921 and began operation at its plant at Cowansville, Quebec. It produces piece goods made from silk, artificial silk or mixed fibres and is the only organization in Canada which produces the finished goods from the raw material in its own establishment. Since its inception, the plant has been in operation twenty-four hours a day and has always been considerably behind the orders which have been received.

The Company's Market

The mill site consists of sixteen acres of land, on which there are now erected ten buildings. The new issue is secured by a first mortgage on all the real estate and floating assets of the company, which amount to $956,080. Further bonds of this issue may only be sold to the extent of two-thirds of the cost of additions or extensions to the property.

There is a good market for the company's output, as approximately $30,000,000 is spent for various silk goods which are annually imported into Canada. As well as filling a portion of the Canadian demands, the company exports to other British possessions.

The present issue is being sold at par and carries a bonus of four shares of common stock with each $1,000 bond. The capitalization upon the completion of this financing will stand as follows:

	Authorized	Issued
First mortgage sinking funds gold bonds	$1,000,000	$350,000
Common stock shares of no par value	25,000 shs.	25,000 shs.

Earnings and Product

The net earnings available for bond interest from the beginning of 1922 have been equivalent to three times the interest requirements of this issue. Earnings during the present fiscal year are estimated to be at the rate of over four times the bond interest requirements.

The purpose of the financing is to retire $200,000 seven per cent. first mortgage bonds now outstanding and to provide additional buildings and machinery for necessary immediate expansion.

Since its inception, the company's sales have grown steadily and are now running at a rate of over eleven times the original gross sales of the first fiscal year. It has never yet been able to meet the demand for its merchandise. In the past, artificial fibre has been purchased from the United States but, with the recent opening of an artificial silk plant in Canada, the company will be able to purchase its raw artificial silk at about 50 per cent. lower than previously.

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Government Municipal and Corporation Bonds

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First (Closed) Mortgage Sinking Fund Gold Bonds

Due
April 1st, 1935
April 1st, 1940

Interest payable half-yearly. April 1st and October 1st.

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4½% BONDS

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255 Bay St. Toronto

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The Outlook For **SULPHITE PULP**

The future of this industry is discussed at considerable length in our November Market Letter.

Copy furnished on request.

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300 BAY STREET - TORONTO

Two New Sensations

Two more wells brought in last week. The Vulcan well came in at 3127 feet. The Advance at 3160 feet.

Wild bidding resulted for these shares in the open market, but the sale of Treasury shares was immediately withdrawn.

Big Chief May be the Next Producer

Drilling proceeds 24 hours daily.

Do not delay; send in your application at once.

G. A. WANLESS

190 ST. JAMES STREET, MONTREAL

BIG CHIEF OIL CO., LTD.
VULCAN OILS
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ADVANCE
RECORD
ESTIMATED PRODUCTION $2,000,000.00 PER YEAR

APPLICATION FOR SHARES IN THE BIG CHIEF OIL COMPANY, LIMITED.

G. A. WANLESS,
190 St. James St., Montreal, Que.

I hereby apply for and agree to buy............shares from you in the Big Chief Oil Company, Limited, at One Dollar per share, and herewith pay you........ dollars, being one-quarter of the purchase price, and agree to pay the balance ....within thirty days after a producing well is brought in on the Company's holdings.

Name ....
City .... Province..............
Street (if any) ....

New Issue.

NORTHERN CANADA POWER LIMITED
6% FIRST MORTGAGE BOND
Due 1st Dec., 1945

This company's net earnings for the past five years has been over twice required bond interest. The increased demand for power in the north insures the future of the company. We recommend this security.

PRICE: 100 and interest

Gairdner & Company, Limited
312 Bay Street, Toronto Telephone: Elgin 2301

Well Directed Publicity Pays Dividends in Tourist Business

From Our Own Correspondent

HALIFAX.—Showing an increase of nearly 50 per cent. since Nova Scotia turned to intelligent publicity to boost her holiday attractions, over 115,000 tourists visited the province during the season just closed. Of this number, 51,021 came in 14,213 automobiles, 4,852 of which are of American registry, and the rest from other Canadian provinces.

The publicity methods used included paid advertising, legitimate hook-ups with spot news bringing the province into the limelight, eighteen radio broadcasts from Canadian and American stations, direct mail pamphlets and supplying newspapers with photographs and brief stories. Over 300,000 enquiries were received.

In spite of the fact that no illegitimate "space grafting" high pressure methods were employed, the bureau succeeded in getting into 2,000 American newspapers, free space obtained for photographs alone representing $30,000 if charged for at advertising rates.

Leading U.S. Electrical Man Admits Power Shortage There

Chairman of General Electric Board Says Water Power in New England States Inadequate and Intermittent—How This Affects Canadian Policies

From Our Own Correspondent.

MONTREAL.—Canadian protagonists of the export of power from this country to the United States always preface their remark on this question by stating that there is no power shortage in that country.

There appears no reason to doubt, however, that the United States, especially the New England States, is faced with an acute power shortage. This is borne out by Owen D. Young, chairman of the board of the General Electric Company, who last week urged the creation of a New England water power pool, with an adequately integrated transmission system, as a step forward in the economic and social progress of New England.

Some of the more significant statements made by Mr. Young, who spoke at the New England Conference of Governors, are as follows:

"The six states of New England represent a natural economic unit with its industry dominant and its agriculture furnishing its perishable food supply. Specifically now what can it do? My answer is, create a New England power pool and draw from that mobilized supply, through adequate integrated transmission systems, the power you need for your industry at the most economic point of production. All of your sources of power, which are developed or can be developed, should feed into your power pool.

"Obviously, to the extent which it can economically be done, you should develop as much power as possible from your falling waters, because that is your most valuable raw material and it is inexhaustible. You can increase your supply of water power and incidentally improve your navigation and prevent floods by a comprehensive development of storage reservoirs, which will conserve your flood waters, equalize the flow of your rivers and make power available in greater quantities than now exists.

Steam Important Also

"I do not intend to speak of water powers only, because they will undoubtedly have to be supplemented by steam. Your water power is inadequate and intermittent. Your steam stations should be most advantageously located, composed of large and economic generating units and capable of getting the cheapest possible fuel supply and adequate amounts of condensing water. If, in addition to the falling water and the steam generating plants, you can advantageously harness the tides of your northern coasts—throw the great rise and fall of the Atlantic also in your common power reservoir, then New England, which has been at a disadvantage in her raw material supply, will, at last, see the new day when she provided within her boundaries her most important raw material; that is, power."

Definitely Facing Shortage

That the New England States are definitely faced with a power shortage is seen in the foregoing statement by Mr. Young. In Canada, as yet, it is not necessary to supplement our water supply by tremendous capital expenditures to provide enormous storage reservoirs.

In Canada it is not yet necessary to provide steam stations, except for peak loads. In this case, the steam plant is more economical than the hydro. Again, Mr. Young indicates that it would pay the New England States to take advantage of the rise and fall of the tide for the development of electric power. Development of this source of power is extremely costly—it is obvious, therefore, that a man of the calibre of Mr. Young would not consider the employment of this energy if there were not a shortage of other forms of hydro electric power. Indeed, he admits it when he says: "Your water power is inadequate and intermittent."

Canadian Shortage Soon

Within twenty-five years both southern Quebec and southern Ontario will probably face the same problem which the New England States face to-day. It appears obvious, then, that, should we allow our power to be exported now, Canada will face this shortage the sooner. Practically without exception, power engineers of any standing are agreed that the country, at no far distant date, must face this shortage.

If Canadian power builds up American industrial centres, experience teaches that it would be impossible in, say, thirty or forty years' time to pull a switch and use the power in Canada. The vested interests in the United States would strain every nerve to continue the export of power from this country at the expiry of the export contract. In this they would be justified, for Canada, in allowing the States to build up communities and industries, would then have no moral right to lay desolate these communities.

UNLISTED BONDS

(Montreal Stock Exchange)

	Bid	Asked
Abitibi 6% 1940	100	101
Alabama 5% 1962	108½	..
Algoma Steel 5% 1962	30	30¾
Belding 5% 1936	85	..
Belgo Can. Paper 6% 1943	101	101¾
Brand-Henderson 5% 1939	90	..
Burns, P. & Co. 6½% 1943	102⅝	102⅞
Can. National Rly. 5% 1954	100¾	101⅛
Calgary Brewing 5% 1942	83½	..
Can. Steamship Lines 7% 1942	100	100¾
Can. Pacific Rly. 5% 1934	99⅞	..
Can. Pacific Rly. 4½% 1944	92⅛	92¾
Can. Steel Foundries 6% 1936	100	..
Dom. Iron 5% 1939	63½	..
Dom. Textile 6% 1949	105½	..
East Koot. Power 7% 1942	101¾	..
Frontenac Brewing 6% 1951	94¾	..
H. Smith Paper 7% 1941	96¾	97
Lake Sup. Paper 6% 1941	105⅞	..
Laurentide Power 5% 1946	99⅞	100½
Laurentian Power 6% 1936	99¾	..
Maple Leaf Milling 6½% 1943	104	..
Man. Power 7% 1941	103	103½
Mattagami 7% 1949	33	..
Montreal Steel Works 6% 1940	100	..
Prov. of Ontario 5% 1948	100½	101⅛
Nor. Ont. Power 6% 1931	98	99
Ontario Pulp 6% 1931	107	..
Price Bros. 6% 1943	100¾	..
Quebec Power 6% 1953	103	103½
Walmsley, Chas. 6% 1943	95⅞	96½
Winnipeg Elec. 6% 1954	95½	96½

BOND MOVEMENTS OF THE WEEK

WEEK ENDING NOVEMBER 17

BONDS	Int. Rate	Due Year	Yield	Range 1924 High	Range 1924 Low	Range 1925 High	Range 1925 Low	Ask	Latest Price Bid	Latest Price High	Latest Price Low
Asbestos	5	1942	5.59	83	73	99	80¼	93½	—	93½	92½
Can. Canners	6	1950	6.32	—	—	96	90	—	93	96	95
Can. Cement	6	1929	5.29	103½	100	103¼	101	—	102¼	102½	—
Dom. Iron	5	1929	8.12	89¼	86	94	86	90	89½	89½	—
Montreal Power	4½	1932	5.05	97½	95	97½	96¾	97½	—	96¾	—
Ogilvie (A)	6	1932	5.05	104½	101¼	105½	103½	—	105¼	105½	105¼
Porto Rico	5	1936	6.54	85	83	88	85	88	—	88	—
Quebec Rly.	5	1939	5.70	91	80	98	89¼	93	—	93¼	93
Riordon	6	1929	5.78	91½	73	102½	93½	101½	100¾	100¾	—
Wabasso	6	1947	6.12	96⅛	90½	98⅝	92	—	98⅝	98⅝	98½
Wayagamack	6	1951	6.82	86-	76	98¼	84¼	—	91	90	88
War Loan	5	1925	5.00	100.95	100.15	101.15	99.70	100.05	99.95	99.95	99.85
Do.	5	1931	4.56	102.45	100.60	102.65	101.00	102.35	102.20	102.40	102.10
Do.	5	1937	4.54	103.85	102.60	104.95	103.80	104.30	104.15	104.80	104.00
Victory "	5½	1927	4.44	103.05	102.05	103.15	101.70	102.15	102.00	102.00	101.70
Do. "	5½	1933	4.62	106.70	104.15	107.00	105.20	105.50	105.35	105.75	105.20
Do. "	5½	1934	5.00	104.70	102.85	104.80	103.20	103.60	104.35	103.72	103.40
Do. "	5½	1937	4.60	108.90	106.15	110.00	108.25	108.50	108.35	108.35	108.25
Do. Refund.	5	1928	4.86	100.85	99.50	101.45	100.15	100.40	100.30	100.45	—
Do "	4½	1940	4.83	..	..	97.25	92.20	—	—	96.50	96.25
Do. "	5	1943	4.86	102.85	99.00	102.90	101.15	101.15	101.60	101.90	101.40
Do. "	4½	1944	4.76	97.15	97.00	97.75	96.20	96.55	96.40	96.65	96.30
Do. Renewal	5½	1927	4.83	102.70	101.10	102.95	100.90	101.20	106.00	101.20	100.90
Do. "	5½	1932	4.96	103.90	102.10	104.20	102.75	103.10	102.90	103.20	102.75

WEEKLY RECORD OF CANADIAN FINANCING

Bond Sales—Place	Date	Municipal —Sold To—	Rate	Maturity	Amount	Price	Yield
North York	Nov.	H. R. Bain & Co.	5%	5-30-ins.	$177,923	103.41	5.10
St. Joseph de Coleraine	Nov.	L. Larachelle	5½%	1950	27,000	99.	5.60
Campbellton	Nov.	Eastern Securities Co.	5%	1945	54,500	98.03	5.17

Municipal and Provincial Finance

FURTHER PORTION OF TORONTO DEBT PAID BEFORE DUE

Means Material Reduction in Heavy Burden on Citizens

The Finance Commissioner of the city of Toronto has just announced the extinguishment of a portion of the debenture debt of the city amounting to $6,318,069, before maturity. This is a continuation of the policy pursued for some time by this department.

One of the large items in the debts of modern municipal organizations is carrying charges. As in the case of national governments, if to a less spectacular degree, interest charges, when allowed to accumulate, create a gradually expanding liability which causes discouragement and prevents progress. The taxation of business for the payment of past obligations is a check to prosperity. As a result of the present payment by the city commissioner, the citizens of Toronto will be relieved of heavy debt charges over a considerable period of years. The saving for the year 1926 alone will amount to more than $360,000.

The saving effected by the Toronto Finance Commissioner has been made possible through excess earnings and normal accumulations in the sinking fund in addition to certain unexpended capital balances. Due mainly to the successful operation of the sinking fund, the city, since the war, has been able to retire before maturity the huge total of $11 801,272 of debt, a record, apparently, in Canadian municipal finance. Of this total, nearly $2,000,000 was retired in 1919, more than $1,000,000 in 1921, $2,425,085 in 1923 and $6,318,069, as already stated, this year.

Often Retires Before Maturity

During the period referred to there has been retired in the regular manner, that is, at maturity, more than $35,000,000. From 1919 to 1925, inclusive, therefore, the city has retired $47,393,537 of its funded debt. This is in keeping with the established custom of this city to neither renew nor refund any of its debt, authority for which policy was passed in 1917 and again in 1920.

Following is a statement of the loans made and the debentures redeemed during the past six years. It will be noted that during 1925, the redemption process exceeded the amount of new loans by nearly $10,000,000.

	Loans	Bonds redeemed
1920	$ 6,179,203	$ 4,179,631
1921	32,251,219	6,061,390
1922	18,580,977	3,502,352
1923	21,841,941	6,755,661
1924	19,051,861	5,834,668
1925	5,917,968	15,464,404

MAKES NEW CONNECTION

W. A. M. Jones, who has been a member of the sales force of Nesbitt, Thomson & Co. for the past three years, has joined the staff of H. R. Bain & Co., and will assume charge of the sale of high-grade corporation securities for that company. Mr. Jones has had twelve years' experience in this line of work, and is well known to investors in Toronto and throughout the province of Ontario. He is a brother of H. V. F. Jones, of New York, late assistant general manager of the Canadian Bank of Commerce.

ALBERTA'S ROADS PROGRAM

CALGARY.—By 1927 the Alberta government hopes to completes its $3,500,000 road building programme, so Hon. Alex. Ross, minister of public works, announced here. By that time the province will have earned a $1,500,000 grant from the federal government. Subgrades are being constructed on 2,500 miles of highway. Six hundred miles have been surfaced already and about 250 miles graveled. Ultimately all the main highways in Alberta, leading east, west, north and south, will be graveled.

Western Experience

We have for a background an experience which covers the history of British Columbia going back to the Crown Colony.
The association with financial affairs has been intimate and constant.

Those who have holdings here and would like independent reports are invited to correspond with us.

Pemberton & Son
418 HOWE STREET, PACIFIC BUILDING
VANCOUVER, B.C.
ESTABLISHED 1887

This Week's Bond Sales

NORTH YORK ISSUE

An issue of $177,923, Township of North York, 5½ per cent. debentures, maturing in from five to thirty instalments, has been awarded to H. R. Bain & Co., on a bid of 103.41, which is equal to a 5.10 per cent. basis. The bids were:

H. R. Bain & Co.	103.41
Municipal Bankers Corp.	103.25
Fry, Mills, Spence & Co.	103.19
Matthews & Co.	102.89
Gairdner & Co.	102.623
MacNeill, Graham & Co.	102.15
A. E. Ames & Co.	102.
Wood, Gundy & Co.	101.79
R. A. Daly & Co.	101.75

G.T.R. BOND ACTION IS DECLARED LEGAL

Decision of Eminent British Counsel Retained by Debenture Holders

According to an opinion handed down by an eminent British legal authority, A. C. Clauson, K.C., the course followed by the Canadian government with regard to the Grand Trunk Pacific debenture holders for interest, has been justified. Mr. Clauson was engaged by the debenture holders to pass on their case with regard to the claim, and it is announced that in Mr. Clauson's opinion the Canadian authorities were within their legal rights.

The controversy between the debenture holders and the Dominion government, through the Canadian National Railways, over the question of interest payments, was brought to a head late in July by a letter written by Sir Henry Thornton to the debenture holders' committee suggesting that they should obtain legal opinion on the question at issue. This was done as suggested, and the answer given was that their case was weak. Sir Henry Thornton's letter added that if not then convinced, the committee should discuss the matter in Canada with the railway authorities, and if still unconvinced, should settle the matter by bringing an action at law.

The debentures concerned, it is held by the Dominion government, were conditionally guaranteed by the Grand Trunk Railway Company, and were never at any time guaranteed by the Canadian government.

N. B. CALLS FOR TENDERS

MONTREAL. — The provincial treasurer of the Province of New Brunswick has called for tenders of an issue of $2,275,000, three year, 4½ per cent. debentures, for the purpose of refunding bonds issued in 1917. The total amount due and payable by the province on December 1, for which the refunding issue is being floated, amounts to $2,402,000, of which $127,000 will be permanently retired by payments from sinking fund. Of the remainder, $575,000 of the new issue will provide for refunding an issue for permanent bridges, and $1,700,000 for the St. John and Quebec Railway.

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LIMITED
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ALBERTA.

QUEBEC APARTMENTS LIMITED
6½% 1st Mortgage Bonds
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Inquiries Solicited
Ernest Savard, Limited
Investment Bankers
171 St. James St. Montreal. Harbour 5258-9
71 St. Peter St., Quebec. Phone 2-6486.

A Safe 6½% Investment

With a Bonus Coupon Participating in the Earnings of the Company.

20-year 6½% Gold Bonds of The Automotive Credit Corporation, Ltd., are secured by lien note contracts (virtually first mortgages) on automobiles and trucks, fully protected by insurance against fire, theft, wrongful conversion and collision.

For descriptive circular write

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TO PROPERTY OWNERS

Write for our booklet on how to increase your rents.

THE
STERLING TRUSTS CORPORATION
10-12 East King St., Toronto.
Branch at Regina, Sask.

MANITOBA'S SINKING FUNDS UP $474,559

Gross Debt of the Province Has Been Reduced $1,193,500 in Eight Months

The main feature of the financial statement of the province of Manitoba for the eight-month period ending April 30, last, is the fact that current revenue exceeded current expenditure by $125,134. Earned revenue for the period amounted to $7,259,520 as against expenditure incurred of $7,134,385. Estimates anticipated a deficit on actual operations, of $241,000.

According to the statement presented, succession duties furnished the chief contribution of $592,257 against $300,000 last year. Changes in the licensing of automobiles causes a drop of nearly $60,000 from the estimates, and little compensation was made by the gasoline tax.

A decrease of $1,193,500 brought the gross debt of the province to $72,086,802 during the period. Capital assets are estimated at $93 333,088. Sinking and replacement funds have been increased by $474,559 in accordance with the policy adopted by the Bracken government. According to the balance sheet the accumulated deficit is $930,108 as compared with $730,165 as at August 31 of last year. The increase, however, is shown to be attributable to a sum of $324,078 written off for the Manitoba Power Commission under the amendment of the Power Commission Act passed at the last session of the legislature. The present capitalization of the commission is $921,034 from approximately $2,000,000 a year ago. The commission pays interest charges on the reduced total only, as the government absorbs the interest on the remainder instead of charging it, as formerly, to the commission. Actually, therefore, the accumulated deficit outside this item has been decreased.

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Can a Mutual Fire Company Issue Non-Assessable Policy?

Conflicting Views on Question Quoted With Opinion of An Unquestioned Authority—Gets Back to State Laws

An issue of some importance in the fire insurance field at the moment is whether or not a mutual fire insurance company can issue a non-assessable policy. The issue has been made the subject of much controversy and The Financial Post has received a number of letters from readers, buyers of fire insurance, asking for a definite ruling on the matter.

The controversy has been projected into the realm of practical insurance problems by the action of the Northwestern Mutual Fire Assurance Association, Seattle, Wash., which operates extensively in Canada through its office at Hamilton, Ont., in issuing a non-assessable policy. The policy provides that the insured shall at no time be called upon for any payments beyond the actual "premiums" or "deposits" he pays in. The policy has been challenged by salesmen for the stock companies and they declare that in the event of the winding up of a mutual company issuing such policies, the insured under a non-assessable policy will be regarded as one of the company and therefore liable for his share of the company's obligations.

P. E. I. Board Raises Question

The Prince Edward Island Board of Fire Underwriters, through their secretary, E. H. Beer, has raised the question in a letter to The Financial Post, from which the following extracts are made:

"Referring to page 11, under the head 'Your Investments,' you have a paragraph devoted to the Northwestern Mutual Fire, in which W. Mc., Ontario, asks the question if a policyholder in the Northwestern Mutual Fire Association is responsible in any way except for the premium he pays, etc.

"In your reply you seem to omit answering the question asked as to the policyholder's responsibility.

"The inference drawn from those who have given an opinion and who are in a position to know, is that under existing conditions and with the present directors at the head of affairs the policyholders of the Northwestern Mutual would not likely be made liable for anything except the premium which they pay. But, should the company get into difficulties and the management be taken out of the hands of the directors and placed in the hands of liquidators or the court it is quite possible and even probable that the policyholders would be called upon to pay the liabilities of the company. The fact that the policyholders are dividend receivers from the company practically makes them responsible for the losses of the company in case of trouble."

That is the contention of the stock companies in a nut shell.

The Northwestern's Stand

In response to a series of questions put by The Financial Post to Norman S. Jones, manager for Canada of the Northwestern Mutual, that organization's view of the question was presented as follows:

"A great many make the mistake of giving the word 'mutual' an interpretation which does not properly belong to it. The word 'mutual,' as applied to an insurance company, means that the corporation does not have any capital stock, simply that and nothing more.

"The contract or policy of a mutual company varies in regard to its terms, whereas that of a stock company seldom varies. In Canada, previous to the entry of the large American mutual companies, the practice was to take a premium note, against which an actual cash payment was credited, the insured being liable for the full amount of the note. You will doubtless agree that a company could accept a cash deposit instead of the note undertaking, in fact, a cash deposit in lieu of a note would be much more preferable, because the company would then have the cash on hand, whereas the collection of the note might not be possible.

"The Northwestern prefers to accept a cash deposit instead of a premium note. The amount of the cash deposit is a matter of discretion for the management of the company, and as the history of the Northwestern shows that on the average only 60 per cent. of the stock company rate is ever used, a deposit of the full stock compan-- rate is considered sufficient deposit. On this basis the company has accumulated from underwriting profits over $2,500,000 in cash, and has returned to its policyholders over $8,000,000.

"In the last analysis, an insurance policy is a contract, and the law of contract must apply. In the Northwestern policy contract it is stated in two separate places that the policy is non-assessable, of that the liability of the assured is limited to the amount of the premium stated in the contract.

"Under the law of the State of Washington, in which state the Northwestern is incorporated, it is provided that a company, having secured $300,000 of assets from underwriting operations, may if it so chooses, issue a cash non-assessable contract. As the Northwestern's assets are many times more than the minimum amount stated in the act, it will be realized the company is legally authorized to issue a non-assessable contract.

"In regard to Canada, it is neecssary for a company to file its form of policy with the various insurance departments before a contract can be issued. This, of course, has been done, and no department has questioned the wording of our contract in any manner. In other words, our contract has been accepted by the various Canadian insurance departments as being correct and satisfactory, therefore, it may be assumed that the contract is not in violation of any Canadian act, and is therefore a legal contract in Canada.

"It will probably be further agreed that no court under any circumstances can read into a contract something that is not there, without the consent of the parties to that contract, so that whether the company is in liquidation or a going concern, no court could order a variation in the terms. Finally, the judgments handed down by the courts in this connection have always held that a contract issued on a non-assessable basis could not be assessed under any circumstances."

Between two such diverse views, which is the buyer of fire insurance to accept? The answer is complicated by the fact that the Dominion Department of Insurance has made no definite ruling; that no situation has arisen in Canada that would put the problem to judicial test and by the fact that there is such a keen diversity of interest between the stock and the mutual companies that they can not agree on the point.

An Independent Opinion

The Financial Post has submitted the problem to an independent authority of unquestioned reliability and the answer received indicates that, with precedent lacking in Canada, the liability of a policyholder under a non-assessable contract is fixed by the laws of the state where the company has its headquarters. (The laws of the State of Washington, according to Mr. Jones, permit the Northwestern to issue non-assessable policies.)

The letter received from the authority says in part:

"I think there is no doubt that the association in question is issuing contracts which, so far as the contract is concerned, contain no provision for assessments beyond the ordinary premium deposits. The contract, however, has, I think, the effect of constituting the insured a member of the company and the only question that seems to me to arise is as to the liability of the policyholder in his capacity as member of the company and as a contributory in the event of liquidation.

"I think you are quite correct in stating that there is no precedent to guide

(Continued on page 21)

Weekly Record of Fire Losses in Canada

Place — Property	Date	Loss	Insurance	Cause
PRINCE EDWARD ISLAND				
Abram's Village—J. Z. Cormier, barn and granary	Nov. 2	$2,000	Small	Unknown
Victoria—General store and residence	Nov. 12	Heavy	......	......
NOVA SCOTIA				
Halifax—Vineberg & Goodman, store	Nov. 9	Heavy	Partial	......
J. Spiro, store	Nov. 9	Heavy	Partial	......
Sydney—M. Fine, store; Palace Theatre; H. Craig, shop	Nov. 9	$20,000	......	......
Truro—P. Buchanan, barn & contents	Nov. 10	Total	None	......
Great Village—Mrs. A. C. Layton, 3 barns	Nov. 11	$6,000	Partial	......
NEW BRUNSWICK				
Oromocto—River Valley Lumber Co. bldg.	Oct. 31	$2,000	Small	......
Woodstock—H. Gibson, barn	Nov. 13	$2,000	Partial	......
Moncton—Blackney & Son, warehouse	Nov. 6	$20,000	Partial	Explosion
Tracadie—Catholic Church	Nov. 8	$200,000	......	......
Woodpoint—H. C. Read, bldg.	Oct. 31	$1,000	None	......
QUEBEC				
Saint Thecle Village, bldgs.	Nov. 4	$25,000	Partial	Unknown
Montreal—Marchand Bros. & Co., bldg.	Nov. 3	$6,000	......	......
Huntingville—N. E. Dean, barn & crop	Nov. 3	Total	Partial	Lantern
Charlesbourg—J. Rousseau, res.	Nov. 5	Total	......	Unknown
Beauce Jct.—2 hotels & restaurant	Nov. 8	$75,000	Partial	......
St. Anselme—Foundry	Nov. 7	Considerable	......	Unknown
St. Anne-de-Bellevue—Macdonald College	Nov. 8	$40,000	Partial	......
Quebec—M. J. Paquet, store	Nov. 10	$5,000	......	Unknown
ONTARIO				
Toronto—L. Tonkin, res.	Nov. 8	$500	......	O'heat. st.
Charlotteville—E. Clark, barn	Nov. 7	Total	......	......
Kincardine—Hodgins Bee, Establishment	Nov. 10	Heavy	......	Unknown
Radford—E. Harner, res.	Nov. 10	Total	......	......
Erin—A. McDonald, barn	Nov. 6	Total	Partial	Unknown
Callander—J. Baxter, barn & contents	Nov. 9	Heavy	......	Unknown
Brooklin—F. W. Hodson, barn and crop	Nov. 5	Heavy	Partial	Unknown
Mulmur—D. Sherman, barn & crop	Nov. 10	Total	Partial	......
Waupoos—J. Whattam, res.	Nov. 10	Total	......	......
Thessalon—Quinn Dept. store	Oct. 30	Considerable	......	......
Mount Pleasant—B. McPherson, barn and contents	Nov. 10	Total	......	Unknown
Walsingham—S. Leighfield, barn & contents	Nov. 5	Heavy	Partial	......
Renfrew Woollen Mills	Nov. 5	$1,000	......	......
Canton—T. Mills, barn	Nov. 9	Total	......	......
Carleton Place—J. McNeely, barn & bldgs.	Nov. 4	Total	......	Unknown
Ottawa—N. Tremblay, res.	Nov. 4	$800	......	Unknown
St. Thomas—R. Jenkins & S. Kenney, 2 cars and barn	Nov. 11	$3,000	......	......
Welland—Mrs. J. O'Brien, res.	Nov. 3	$2,400	......	O'heat. pipe
Toronto—Swift Canadian Co. plant	Nov. 5	$500	......	Unknown
Campbellford—W. Ellis, res.	Nov. 5	Heavy	......	Unknown
Toronto—S. Goldstein, bldgs.	Nov. 5	$600	......	......
Port Hope—T. Mills, barn	Nov. 5	Total	......	Unknown
Ridgetown—A. Nelson, res.	Nov. 2	Total	......	O'h. stove
Brooklin—F. W. Hodson, barn & contents	Nov. 5	$10,000	......	Unknown
Selbright store & res. & contents (one death)	Nov. 9	Total	Partial	......
Haliburton—Royal Kushog Hotel	Nov. 6	Total	Partial	Unknown
Sunbury—M. Campbell barn & crop	Nov. 4	Total	......	......
Dover—F. Carron, res.	Nov. 12	Total	......	Explosion
Renfrew—Renfrew Woollen Mills	Nov. 5	$1,000	Partial	Spon. com.
Pembroke—Mrs. J. F. Munro, res.	Nov. 5	Considerable	......	O'h. grill
Leamington—A. A. Whitwam & W. H. Willson, barn & crop	Nov. 1	Total	Partial	Unknown
Cobalt—W. Coughlan, tinshop	Oct. 31	Considerable	......	Unknown
Ramsay—J. McNeely, farm bldgs.	Nov. 3	Heavy	......	Unknown
Pakenham—S. Nugent, barn, sheds & contents	Nov. 3	Heavy	Partial	......
Toronto—L. & W. Starkman, bldg.	Nov. 9	$6,500	Covered	Unknown
Crystal Dress Co., contents	Nov. 9	Total	......	Unknown
Kaladar—W. Vilneff, hotel	Nov. 7	Total	......	Unknown
Ft. William—J. Prytulak, res.	Nov. 10	$500	......	Unknown
Essex—W. Roath, auto & garage	Nov. 12	Total	Partial	Gasoline
SASKATCHEWAN				
Willowbrook—W. B. Sloan, res.	Nov. 3	Total	......	O'h. stove
Rouleau—A. Theaker, barn and wheat	Nov. 4	Total	......	......
Prince Albert—White Lunch Cafe	Nov. 6	Considerable	Partial	......
Regina—T. Bell, res.	Nov. 4	$1,000	......	......
BRITISH COLUMBIA				
New Westminster—G. H. Roberts, res.	Nov. 2	Total	......	......
Fort. Coquitlam—dry kilns & shingle	Nov. 8	$60,000	......	......
Kamloops—Northern Transfer Co., bldg.	Nov. 9	$2,000	Partial	Unknown

National Life Business Was Good in October

The Financial Post is informed that the National Life Assurance Company has enjoyed a record volume of business this year to date, and October proved not only the best month this year but for all time. The growth is attributed in part to improvement in general business conditions throughout the country, but largely to efficiency of the company's staff.

Business received in October totalled $1,342,723, an increase over October, 1924, of 33 per cent., the total that month being $969,230. For the year to date business has shown an increase of 30 per cent. over the entire year 1924.

The progress of the company, financially, is indicated by the fact that the excess of receipts over disbursements in October alone were equal to about one-third of the total amount for the entire year, 1924.

Another Industrial Buys No Insurance

From Our Own Correspondent.

MONTREAL.—The Ontario Gypsum Company has practically completed the erection of its new plant at Montreal East, on which construction began last July. This industrial property will be valued at nearly a million dollars, but no fire insurance will be placed on it, as the material used in the construction, namely gypsum, is fire proof.

The raw material used in the manufacture of the product will be brought from Nova Scotia. This company already has four plants located in Ontario which produce the raw material within the borders of that province.

In placing no insurance on its plant, this company is doing nothing new as far as the province of Quebec is concerned, for the Canada Cement Company believes in the absolute ability of its office building in Montreal to withstand fire; it carries no insurance on this building also.

PROCLAIMS STANDARD FORMS

Saskatchewan has issued an order-in-council, putting into force the standard statutory conditions for fire insurance policies, as approved by the insurance superintendents of the various provinces.

SECRETARY TORONTO CASUALTY

The directors of the Toronto Casualty Insurance Company have appointed W. B. Coatts, secretary of the company. Mr. Coatts was formerly identified for eight years as general manager with the Caxton Insurance Company of London, Eng.

MOSTLY ANNUAL PREMIUMS

The Ontario Equitable Life & Accident Insurance Company recently made an analysis of its business in force, and finds that 83.38 per cent. of the total business has been written with premiums payable annually; 11.04 per cent. payable half-yearly, and 5.30 per cent. payable quarterly.

Insurance Personals

The Metropolitan Life announces the following changes: a new district to be named Shawinigan Falls, will be started November 23, with first credit November 30, out of Shawinigan Falls and Grand Mere, detached sections of the Three Rivers district; P. E. MacDonald, manager for Guelph, Ont., is transferred to Kingston, Ont.; C. R. Lavoie, manager at Kingston, is transferred to Guelph, Ont.; R. B. Webster, assistant manager at Smiths Falls, Ont., is appointed general assistant in Canadian territory.

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Current Events in Banking World

CANADA'S DOLLAR GAINS STRENGTH THROUGH EXPORTS

Gold Movement May Change After the Big Flow of Wheat

By SIR JOHN AIRD,
In His Address to the Canadian Bankers' Association.

The business outlook at the present time is much more favorable than it has been in the past two years. With a splendid crop in all parts of the country and with reasonably good prices, there is a general improvement in business everywhere. It is a matter of gratification that Western farmers are from the proceeds of the present crop discharging old obligations, and are improving their financial position accordingly.

The favorable trade balance has increased from $108,083,601 in 1923 to $1,912,343,947 in 1924, and $2,023,099,109.

In view of this, if prices for agricultural and animal products abroad and for wood and paper remain at a fair level, there will then be no occasion to worry over the large interest payments abroad which we have to make. The improved position of the Canadian dollar in New York in the past two years is without doubt substantially due to these increasing favorable trade balances.

It will be observed that the figures indicate that the total volume of trade imports plus exports was for the twelve months ended September, 1923, and September, 1924, practically equal, while the total volume for the twelve months ended September, 1925, shows an encouraging increase of one hundred and ten million dollars—approximately 5.8 per cent.

The Gold Shipments

How the banks will be affected by shipment of gold bullion to Canada may now properly be discussed. Gold production in Canada, chiefly in Northern Ontario, has passed the $30,000,000 per annum mark. The producer will probably not care to take payment for his bullion from the mint at Ottawa in Canadian gold coin or in mint bars. The mint instead will give him a check for the proceeds and retain the coin or bars. That process, of course, cannot go on without replenishing in some way the government's account against which the checks are drawn. The coin or bars will, therefore, be deposited with the government's bankers and, in turn, if the holding bank so desires, the coin or bars can be delivered to an assistant receiver-general in exchange for Dominion notes. The result will be, if the Canadian dollar keeps its present place above par, that the holding of gold either by the banks or the government will substantially increase.

The high tide of wheat export will in the course of a month or two begin to ebb and correspondingly the dollar may decline, and the reverse process in the movement of gold will then begin if the decline be substantial.

Use Mint Bars

The use of mint bars of standard fineness, instead of gold coin will in future likely become a feature of transactions between the banks and the assistant receivers general.

There will be an advantage in having large holdings of gold in mint bars, for the reason that the use to which an accumulation of gold in Canada might have to be put would be to ship it to New York. As Canadian mint bars are of exactly the same fineness as United States mint bars, there will be no need for remelting. Mint bars, too, are more easily handled than gold coin, and there is less loss from abrasion.

With regard to the operation of the amendments introduced in the revision of the Bank Act in 1923 and to the operation of the inspection measure of last year, there is reason to believe that the outcome is of advantage to the business of banking as carried on in this country. Evidence is not lacking that there is renewed confidence by the public in the soundness of Canadian banking institutions, and that the banks are well able to afford the necessary financial facilities to business and to do their part in the development of this country.

A branch of the Bank of Nova Scotia has been established at Manzanillo, Cuba.

Weekly Bank Clearings

(In comparison with the same week last year.)

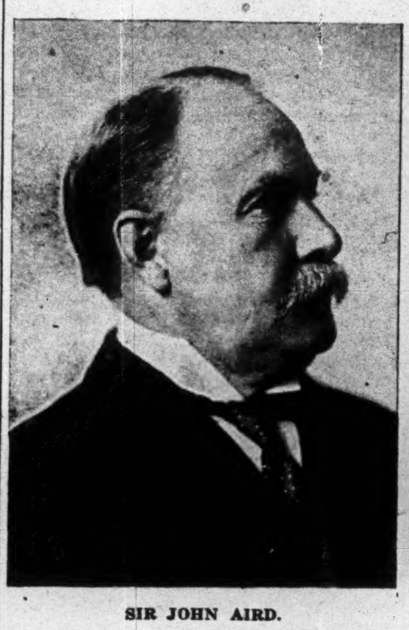
EASTERN CITIES

	Nov. 13 1924	Nov. 12 1925
Halifax	$3,481,947	$2,872,284
St. John	2,596,352	2,518,804
Moncton	708,206	784,349
Sherbrooke	703,520	769,162
Quebec	6,882,643	6,276,616
Montreal	104,912,469	105,959,712
Ottawa	7,582,487	6,880,994
Kingston	600,197	719,870
Peterboro	829,422	866,140
Toronto	108,865,176	88,056,813
Hamilton	4,601,883	4,685,678
Brantford	856,206	876,517
London	2,405,200	2,450,537
Kitchener	823,163	929,143
Windsor	3,105,386	3,368,860
Total east	248,954,257	228,015,479

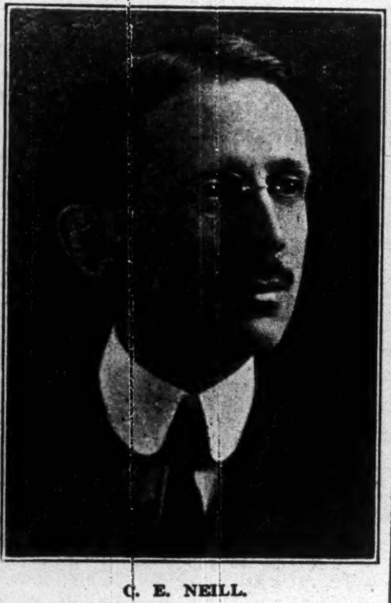
WESTERN CITIES

	Nov. 13 1924	Nov. 12 1925
Ft. William	$1,137,021	$ 722,800
Winnipeg	76,255,094	62,042,674
Brandon	774,742	680,952
Regina	4,878,662	6,698,788
Moose Jaw	1,365,402	1,372,575
Saskatoon	1,898,219	2,187,819
Prince Albert	321,503	365,757
Lethbridge	547,704	425,393
Calgary	8,085,413	7,281,446
Edmonton	4,061,042	4,282,261
Medicine Hat	317,153	319,261
New Westminster	592,451	537,028
Vancouver	16,425,300	14,462,354
Victoria	1,449,574	1,794,330
Total, West	118,109,280	103,173,438

President and Past President of C.B.A.



SIR JOHN AIRD.



C. E. NEILL.

Col. Ayres Points Weaknesses in Instalment Selling System

Discussing the bearing of instalment buying—now so widely adopted in the United States, and to an increasing extent in Canada—on the financial and business situation, Col. Leonard P. Ayres, vice-president and economist of the Cleveland Trust Company, says:

"There are at least three important elements of weakness in the situation. The first is the obvious danger that exists when millions of people of slight financial means have mortgaged their future incomes for present satisfactions.

"The second lies in the personalities of the organizers and executives of many of the new financial companies. The business is one that calls for the cold impartial credit judgment of the hard-boiled commercial banker. The newer companies have largely been organized by men who are salesmen and promoters. They have been notably successful while prosperity has been general, competition easy and credit cheap. It is to be doubted if they can continue to be equally fortunate when these conditions change.

"The third and probably most important problem is that the operations of these companies are made possible by credits extended by banks on terms that will certainly have to be made more rigorous whenever interest rates advance to higher levels."

Staff Gossip

Donald Laws, of the Canadian Bank of Commerce staff, has been transferred to Duncan.—Sentinel, Kamloops.

* * *

Herbert Hart, of the Bank of Nova Scotia staff, has been transferred to Woodstock, N. B.—Tribune, Sackville.

* * *

S. T. Organ, the new manager of the Dominion Bank at Hespler, is now definitely established at his post.—Reporter, Galt.

* * *

Mr. LeGrough, of Quebec, will be the new ledger keeper at the Wyoming branch of the Bank of Toronto.—Free Press, Forest.

* * *

Wm. Chilcott, of Hamilton, is the new teller at the Bank of Montreal. Mr. Gould has been moved to Flesherton.—Enterprise, Chesley.

* * *

C. M. V. Hamilton has come to Ormstown as the manager of the local branch of the Bank of Montreal. For the past two years, Mr. Hamilton has been located at the St. Roch branch at Quebec, prior to which he was accountant in the Sparks Street branch at Ottawa.—Bulletin, Ormstown.

* * *

G. A. C. Weir, who has been appointed to the management of the Bank of Montreal at Belleville, entered upon his duties at the branch.—Standard, Kingston.

* * *

Sydney Robinson has been transferred from the Amherstburg branch of the Imperial Bank, to Essex, where he succeeds S. Potter as ledger keeper.—Free Press, Essex.

* * *

E. T. Beiber has been transferred to the Canadian Bank of Commerce at North Hatley, to replace A. W. Kerridge, who has been transferred to Magog.—Times-Guardian, Richmond.

* * *

The many friends in this city of Frank Donaldson, late with the Bank of Commerce at Mission, B. C., will be pleased to learn of his promotion to the Seattle branch of the same bank.—Review, Revelstoke.

* * *

John J. Stewart, who has been manager of the King Street and Holton Ave. branch of the Bank of Montreal for the past 12 years, has been transferred to a larger branch at Toronto, at the corner of Dundas Street and Roncesvalles Ave. His departure from Hamilton will be regretted by a large circle of friends and business acquaintances. Mr. Stewart will be succeeded at the King Street and Holton Ave. branch by J. R. Wainwright. —Spectator, Hamilton.

* * *

At a meeting of the members of the Hamilton Clearing House recently, the following officers were elected: R. G. Wallace, manager Bank of Nova Scotia, chairman; A. C. Skelton, manager Bank of Montreal, vice-chairman; executive committee, with chairman and vice-chairman; F. S. Glassco, manager Imperial Bank; A. E. Taylor, manager Canadian Bank of Commerce; John Stephen, manager Bank of Toronto; A. C. Rowe, manager, secretary-treasurer. — Spectator Hamilton.

Increased Current Loans as Result of Crop Movement

As the result of the financing of the crop movement, there was an increase of approximately $25,000,000 in the current loans of the Canadian chartered banks during September. However, the total of loans was still more than $53,000,000 less than shown in the report of a year before and as the crop of 1925 was larger than that of last year it is evident that the loans to business and industry are still to be lower than last year at this time.

The bullish movement in the stock market is reflected in an increase of $24,000,000 in call loans abroad and about $8,500,000 in call loans in Canada. As compared with a year ago foreign call loans are higher by more than $100,000,000 and Canadian call loans by upwards of $14,000,000.

Changes in the bank statement for the month and year are shown in the following summary:

BANK STATEMENT FOR MONTH OF SEPTEMBER
ASSETS
Immediately Available Liquid Resources

	Sept. 1925	Aug. 1925	Change	Sept. 1924	Change
Specie	$56,924,858	$56,915,655+	9,203	$59,260,782—	$2,335,924
Dom. Notes	123,344,163	134,925,741—	11,581,578	143,513,482—	20,169,319
Gold Res.	60,760,332	57,860,332+	2,900,000	48,752,533+	12,007,799
U.K. Banks	8,330,792	8,302,395+	28,397	7,621,745+	709,047
For. Banks	54,477,669	56,540,460—	2,062,791	80,969,611—	26,491,942
For. Currency	25,075,737	26,880,447—	1,804,710	25,299,042—	223,305
Gov. Secs.	367,947,381	365,820,226+	2,127,155	369,839,283—	1,891,902
Call Loans, Ab'd	250,825,205	226,778,818+	24,046,387	148,925,920+	101,899,285
	$947,686,137	$934,024,074	$13,662,063	$884,182,398+	$63,503,739
Loans and Securities Other Than Those of Canadian Government					
Pub. Sec.	$140,217,663	$146,023,334—	$5,805,671	$140,171,231+	$46,432
Rly. Secs.	55,699,530	59,190,974—	3,491,444	55,409,495+	290,035
Can. Call Loans	119,730,033	111,262,938+	8,467,095	105,564,807+	14,165,226
Current	903,717,736	878,935,929+	24,781,807	956,744,582—	53,026,846
Loans Ab'd.	224,364,128	220,890,707+	3,473,421	185,160,963+	39,203,165
Prov. Loans	19,682,949	14,953,535+	4,729,414	8,564,443+	11,118,506
Municipal	67,174,446	65,108,217+	2,066,229	67,390,153—	215,707
	$1,530,586,485	$1,496,365,634+	$34,220,851	$1,519,005,674+	$11,580,811
Other Assets					
Non-Curr. Loans	$10,826,596	$11,049,738—	$223,142	$11,342,458—	$515,862
Real Estate	8,819,697	8,742,331+	77,366	8,083,877+	735,820
Mortgages	4,637,728	4,675,790—	38,062	3,555,324+	1,082,404
Premises	73,386,692	73,288,438+	98,254	72,456,367+	930,325
Lets. of Credit	62,456,232	60,133,524+	2,322,708	59,012,655+	3,443,577
Loans to Comp.	5,683,454	5,556,751+	126,703	6,670,556—	987,102
Other Assets	3,462,652	8,778,031—	5,315,379	3,793,599—	330,947
	$169,273,051	$172,224,603—	$2,951,552	$164,914,836+	$4,358,215
Total	$2,647,545,673	$2,602,614,311+	$44,931,362	$2,568,102,908+	$79,442,765
Note Cir. Dept.	5,798,696	5,792,783+	5,913	6,239,410—	440,714
Int. Bank Bal.	183,357,029	117,011,414+	66,345,615	116,236,282+	67,120,797
Gross	$2,836,701,398	$2,725,418,508+	$111,282,890	$2,690,578,550+	$146,122,848
LIABILITIES TO THE PUBLIC					
Liability to Government and Circulation					
Circulation	$170,080,038	$164,253,845+	$5,826,193	$163,413,279+	$6,666,759
Dom. Govt.	40,882,718	27,013,289+	13,869,429	50,047,036—	9,164,318
Prov. Govt.	21,181,078	18,930,775+	2,250,303	39,870,537—	18,689,459
Govt. Advances	11,200,000	20,200,000—	9,000,000	19,400,000—	8,200,000
Deposits by Public					
Demand Dep.	589,946,106	494,561,032+	95,385,074	497,365,631+	92,580,475
Savings Dep.	1,268,554,097	1,261,375,487+	7,178,610	1,177,428,453+	91,125,644
Total	$1,858,500,203	$1,755,936,519+	$102,563,684	$1,674,794,084+	$183,706,119
Foreign Dep.	350,231,587	354,131,734—	3,900,147	355,744,961—	5,513,374
Due to Banks Abroad, Etc.					
U. Kingdom	$3,324,441	$6,854,091—	$3,529,650	$5,809,093—	$2,484,652
Foreign	33,192,978	34,749,328—	1,556,350	35,599,965—	2,406,987
Bills Pay.	9,774,566	10,548,484—	773,918	9,394,456+	380,110
Lets. of Cred.	62,456,232	60,133,524+	2,322,708	59,012,655+	3,443,577
Other Liab.	1,461,721	1,312,070+	149,651	1,455,979+	5,742
Pub. Liab.	$2,562,285,562	$2,454,063,659+	$108,221,903	$2,414,542,045+	$147,743,517
Due Bet. Bank	14,458,068	10,711,545+	3,746,523	10,448,981+	4,009,087
Liability to Shareholders					
Dividends	$701,723	$2,688,619—	$1,986,896	$823,976—	$122,253
Reserve	124,441,700	122,191,700+	2,250,000	122,875,000+	1,566,700
Capital	116,164,660	120,164,660—	4,000,000	121,909,560—	5,744,900
Gross	$2,818,051,713	$2,709,820,183+	$108,231,530	$2,670,599,562+	$147,452,150

BIG BANK PROFITS ARE AN ILLUSION

One Reason For the Spread of the Branch Banking Idea in the United States

NEW YORK.—Of all the money-making occupations in the United States, that of the banker is the most overrated, says Wm. P. Helm in the Wall Street Journal. Public conception, nine times out of ten, pictures him as a powerful figure, dominant in the realm of commerce and industry as well as finance; a gentleman on whose whim hangs the fate of the nation's business; a person who can wreck a railroad after a bad breakfast and precipitate a panic by 3 o'clock.

That, of course, is a misconception. The Bureau of Internal Revenue has just made public some facts about bankers and their income that lets the wind out of some toy balloons.

To begin, the bureau says that the chance of losing money in the banking business is about one in three. There are 90,962 incorporated banks in the United States; of them, 58,992 made money in 1923—a prosperous years—and 31,970 lost money. Losses were greatest among private bankers, so-called, for only 75 out of 132 reporting ended the year with a profit. These institutions reported a net profit for the year of $842,000, out of which they paid more than $89,000 in taxes to the federal government.

The 57 private incorporated banks which lost money lost $634,000. Thus, measured in dollars and cents, profits and losses in the private banking business, among incorporated companies, ran almost a dead heat. The net profit to all the 132 companies, after tax payments, was about $118,000, or somewhat less than $1,000, on the average, for each bank.

All told, the 58,992 profitable banks reported net income of $643,615,519 on 1923 business. The 31,970 losing institutions reported net losses running to $239,383,381. Deducting the net losses from the net profits, the entire banking business, including 42,000 companies on the border line of banking and other business, made a net profit in 1923 amounting to about $404,000,000.

C. E. Neill New President Canadian Bankers' Ass'n.

At the annual meeting of the Canadian Bankers' Association, the election of officers for the ensuing year resulted as follows: Honorary presidents, Sir Vincent Meredith, Bart., Sir George Burn, E. L. Pease; president, C. E. Neill, general manager of the Royal Bank of Canada; vice-presidents, A. E. Phipps, general manager of the Imperial Bank of Canada; Beaudry Leman, general manager of Banque Canadienne Nationale; J. A. McLeod, general manager of the Bank of Nova Scotia; J. R. Lamb, general manager of the Bank of Toronto.

BANK OF COMMERCE

The Canadian Bank of Commerce announces the following staff changes: Mr. Kennedy, upon relinquishing his position as manager at St. John's, was presented by the staff with a valuable cane; Mr. Taylor, who was appointed manager of the Sydney branch, was presented with a silver cigarette case and set of pipes by the members of the staff; Mr. Milligan, appointed manager of the St. John's, Nfld., branch, was presented by the staff in Halifax, with a cigarette case and set of pipes,

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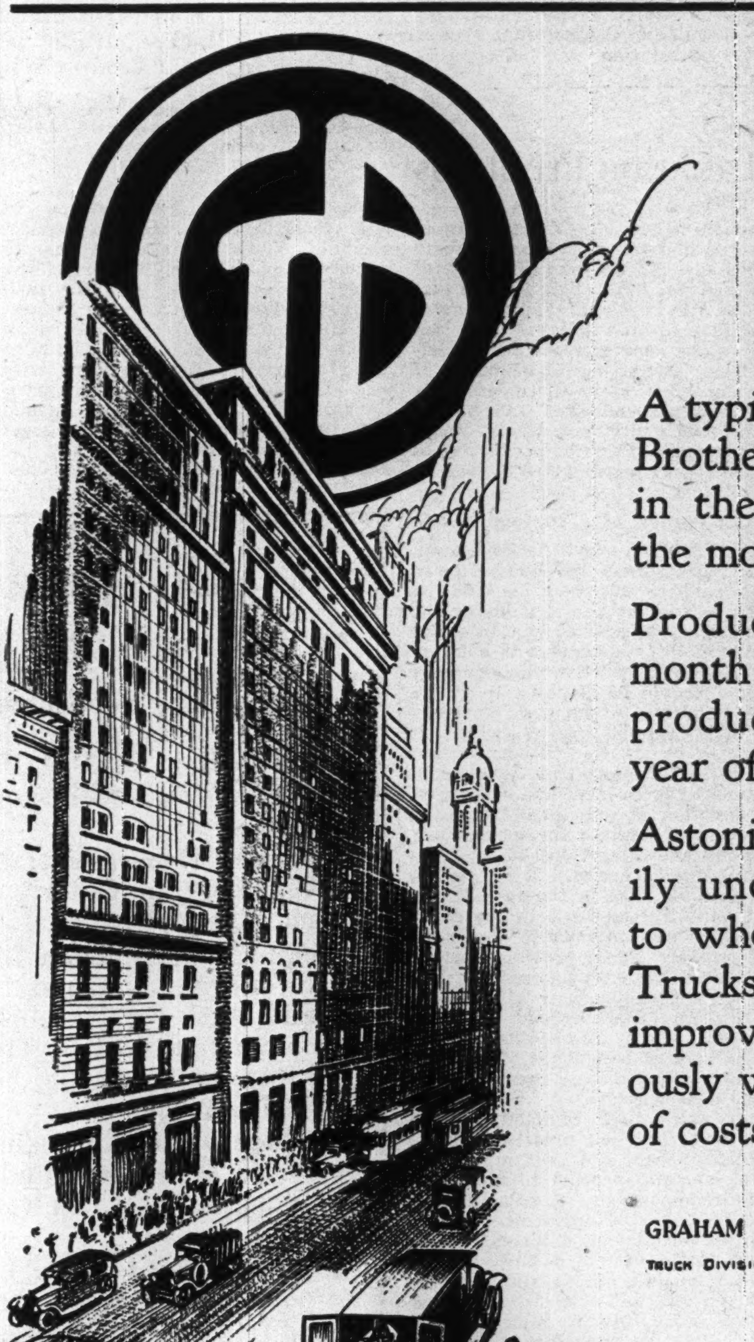


Growth

A typical example of Graham Brothers remarkable progress in the truck industry was the month of September.

Production for this single month was 171 per cent of production for the entire year of 1921.

Astonishing growth, yet readily understood by owners, to whom Graham Brothers Trucks have brought vastly improved service simultaneously with a sharp reduction of costs.

GRAHAM BROTHERS (CANADA) LIMITED
Toronto - Ontario
TRUCK DIVISION OF DODGE BROTHERS (CANADA) LIMITED

GRAHAM BROTHERS TRUCKS SOLD BY DODGE BROTHERS DEALERS EVERYWHERE

Opportunities Are Great for the New Trade Body

(Continued from page 1)

ate in view of the particular purpose of the conference in bringing all the varied interest of a basis of common understanding that there was not a stronger representation of the agricultural interests, for it is becoming more and more recognized that the interests of the farmer and of the manufacturer in the successful marketing of food products under modern industrial conditions lie much in the same direction. The fact that agriculture was not accorded a prominent place on the programme was pointed out by Hon. John Bracken, premier of Manitoba.

Resolutions Passed

Fifteen resolutions, in all, were passed by the conference. In addition to uniting the trade organizations of the Dominion into a central body, and according unanimous support to the appeals of the Maritime Provinces, the conference went on record favoring a foreign trade conference, institution of an aggressive policy of immigration, scientific research in relation to industry, encouragement of Imperial trade relations, national development of the coal industry, national economy, and prevention of smuggling. A number of other resolutions of a more controversial nature, including one relating to the completion of the Hudson's Bay Railway and taxation of publicly owned utilities, were referred to the newly formed Dominion Board of Trade for consideration and report.

Details of the organization of the first Dominion Board of Trade will be undertaken by a committee consisting of representatives of the Boards of Trade of London, Hamilton, Montreal, and Toronto.

In the interim the Dominion body will function through the agency of the Ottawa Board of Trade. It is ultimately proposed to divide the country into three regions—Maritimes, Central and West—with permanent officers and an independent staff.

A powerful appeal for British preference and trade within the Empire was made by W. C. Cockshutt, of Brantford. It was the most effective method, he said, of bringing and keeping the Empire together. For 40 years Canada had frittered away her opportunities, and the time had now come for a change. "If we don't take the initiative it will not be long until we will have a preferential proposal from the Mother Country herself," the speaker said.

Significant Conference

"One of the most significant facts in this conference," said E. W. Beatty, chairman and president of the Canadian Pacific Railway, speaking at the evening banquet, "is the desire of men from all parts of Canada to discuss the country's problems from an economic and a national point of view free from the bewildering influence of political partisanship. And this leads me to the inevitable conclusion that the question of Confederation on the principles of national unity which guided the Fathers of Confederation in establishing it cannot be solved by political manipulation, but only by that mental attitude which comes from understanding, and is the result of honest education."

Beatty on Immigration

Referring to immigration, Mr. Beatty said: "If I had any suggestion to make in respect to this question, I would suggest that we take it out of the field of statistics and place it in the field of human relations. We are apt to forget that the people who come to our shores are not so many hundreds or thousands of British or Continentals, with or without settlers' effects. They are human beings, members of families who have torn themselves up from old homes, homes in some cases centuries old, to come and live in Canada, to be neighbors if we are willing to be neighborly, and to become good citizens if we only hold out a welcoming hand.

Allow for Human Factor

"We realize how great the wrench must be when we learn that some bring with them a handful of earth, so that when the time comes for them to die in Canada it may be scattered over their coffins. I wonder how many Canadians who have made the trek to the United States have ever thought to carry with them a handful of Canadian soil. No immigration scheme for Canada can ever achieve success unless due allowance is made for such human factors.

"I have mentioned immigration because of my conviction that population would settle many of our so-called acute national issues. I believe, if this country were so populated that its people were not widely separated, that misunderstandings now possible would not be possible; that policies now controversial would cease to be controversial, because more readily understood and from a common standpoint, and that not only the spirit, but the fact, of unity would be greatly accelerated. You appreciate, as I do, the very acute problem of the Maritime Provinces. Now that that problem is realized, that the Maritimes are awakened, and are endeavoring to lead the thought of Canada to their assistance in the solution of their difficulty, their problems, always capable of solution, are immediately soluble."

Sir Thomas White Reviews Debt and Taxation Problems

By SIR THOMAS WHITE.

The net direct public debt of Canada is two billion, three hundred million dollars. In ten years it has increased sevenfold.

In dealing with the question of the public debt and the taxation necessary to meet the annual charges connected with that debt, there should be added the debt of several provinces and municipalities throughout the Dominion. The aggregate net direct debt of the provinces has been estimated at six hundred and fifty million dollars.

With respect to the debt of the Dominion it should be kept in mind that by far the greater portion is owed to our own people who subscribed for our great Victory and War Loans during the war period, and for refunding issues since that time. The same may be said of the major part of our provincial and municipal indebtedness. The importance of this fact is manifest and requires little elaboration. The amount of interest upon the public debt, which is paid by the people of Canada as a whole, to our own nationals, is expended or invested by them, and thus is not lost to Canadian trade and development as is the case where interest is paid upon that portion of the debt held by investors in United States or Britain. From the national standpoint there is a great deal of difference between a huge public debt, the securities for which are held domestically, and the same amount of debt owed externally. If our national indebtedness were mainly owed abroad we should be in a bad way indeed—possibly in economic servitude for years to come. While our debt is large and its burden decidedly heavy, it may be pointed out that it is about half the sum which Britain owed to the United States after the war and which she is now paying off in annual instalments extending over sixty-two years. This is in addition to her vast domestic debt which is much larger proportionately than is ours. If Britain can sustain the double burden of her domestic debt and her debt to America surely we need feel no sense of discouragement in regarding our own.

If we had but to carry the burden of our direct national debt, I think it could be done without causing us serious inconvenience. If the Minister of Finance had only to provide for the annual service of the debt proper, he would balance his budget without great difficulty, although, of course, our taxation would still be heavy. It is when we add to the annual charge of this debt the deficit upon the operation of our national railways that the difficulty in balancing is experienced, and it is this deficit which makes the railway problem the most serious with which we have to deal. It is not necessary for me to describe how our railway situation has been created. The facts are known to you all. The problem is before us and we must face the facts as they are. If we take into account fixed charges, our deficit for the last year on the national railways was about fifty million dollars. For this year we are hoping it will be materially less. A further expenditure of many millions is required annually for capital expenditures and betterments which are not likely under present conditions to be productive of additional net earnings sufficient to pay interest on their cost.

Burden of Taxation

Our Dominion, provincial and municipal indebtedness gives rise to a great part of our taxation and its burden is a heavy one to industry and a clog upon our prosperity. In so far as our public indebtedness is not represented by productive undertakings —and I should be disposed to give a wide definition to the word "productive"—its annual charge which is liquidated by taxation withdraws that amount of money from investment channels or from trade and commerce. The taxation of individual firms and corporations through the income tax, sales tax and other taxes of all kinds is exceedingly heavy. It is due to this, I think, that in the face of the most bountiful harvests in the country's history, mercantile business, while apparently improving, and in appearance fairly prosperous, yet does not, on the whole, show satisfactory net returns. The overhead, including taxes, eats deeply into profits. I shall say nothing as to policies of taxation for fear of trespassing upon the field of political controversy. But I think I am expressing common opinion when I say that our present taxation is a heavy load and that in the national interest, in order to give business the opportunity to expand, it is incumbent upon all governments, federal, provincial and municipal, to retrench to the utmost of their ability. When I consider our proximity to the United States and note how their taxation is being steadily reduced, I feel that, unless we can effect substantial reductions here, we shall be at a decided disadvantage in our appeal for settlers and for outside capital seeking investment. There are many Canadians who take little interest indeed in this question of taxation because they are not directly affected. But they are interested in the general prosperity of Canada and directly affected by our economic condition, and our economic condition is certainly affected, and seriously affected, by the burden of our heavy taxation. I have no hesitation in saying that every citizen of Canada has a deep concern in the matter of the reduction of taxation. How the burden of necessary taxation shall be borne is for parliament to decide. That the burden as a whole should be reduced as speedily as possible is in the interests of all, whether rich or poor. The less collected in taxes, the more will be available as capital for new enterprises or for the purchase of goods from producers and merchants. I am convinced that a substantial reduction in taxation would materially stimulate business and help to promote prosperity to all classes. It is not an easy task for governments to reduce expenditures. Everyone is ready to support economy in the abstract, but does not object to expenditures in his own community. In fact he is apt to object if they are not made. What is needed is a self-denying ordinance on the part of all sections of Canada to uphold policies of strict public economy until our public indebtedness is under effectual control.

So far as I have been able to observe, all the producing classes of the community have done their part in meeting the shock of deflation which fell first with great severity upon the agricultural community. The price of the farmer's produce declined sharply, while his cost of production remained constant or even increased. In certain sections of the West there were several years of poor crops or crop failures. This condition has, I am glad to say, materially changed due to better crops and better prices, to lowered costs of production, and also because by industry and application, the situation has been resolutely met and difficulties overcome. Deflation seriously affected also the industrial and mercantile community, and deflation was aggravated by falling off in export and domestic demand, keen foreign competition and heavy taxation. The question of cost of production, of expense of overhead, of efficiency of method—all these have been under close study and much has been done to organize our business upon the lines of the highest efficiency of plant and workers.

Brig.-Gen. Mitchell on the Development of St. Lawrence

By BRIG.-GEN. MITCHELL.

The total fall in the St. Lawrence from the level of Lake Ontario to the level of Montreal harbor is about 225 feet. The distance over which this fall occurs, beginning at the Galop rapids below Prescott, which is the "control" point of Lake Ontario, is about 115 miles.

The total power capability of the river in this power producing section is between 4,000,000 and 5,000,000 horsepower, an amount inconceivable in these days of huge things. Roughly about half of this is obtainable in the international section of the river above Cornwall, and of this in turn half is Canadian. Canada thus has an ownership in upwards of 3,000,000 horsepower on the St. Lawrence or about three-quarters of the whole. Truly a tremendous asset.

Commercially, free and adequate access from the sea to the interior of the country has unlimited possibilities and it is fare for conjecture what twenty-five and fifty years may bring about. That on the St. Lawrence to-day one can penetrate the continent a distance of a thousand miles on smooth water to the present head of ocean navigation is already telling in favor of Canadian shipping. That the gulf and our maritime provinces project out into the Atlantic would seem to bring them nearer its trade routes. That if ocean shipping could penetrate a second stretch of a thousand miles up into and to the head of the lakes, a long advance would be made toward attracting it to inland ports for such new trade as would be created and for the advantage of the country in cheaper transportation for export and internal trade.

The undertaking being of international character, all preliminary discussions, studies and reports must, if the project is proceeded with, naturally lead up to the signing of a treaty between Canada and the United States. Such a treaty would require to embody many features which still continue to be viewed as problems; these might be enumerated as follows: The general and critical features of the project; matters relating to division of territory and water; the apportionment of the cost between the two countries; the apportionment of cost as between navigation and power; arrangements for responsible control of navigation and of water for power purposes as well as regulation of the lakes; and the method of organization for construction and for subsequent operation of the works. These are all vital problems in which we Canadians would have great national interests involved.

As to the national policies involved in the undertaking there are problems of great magnitude. One such problem about which much has been said is that of the provincial rights in the water of the river insofar as power is concerned. Under our laws the control of such rivers for navigation lies in the Dominion government, but in this case there also enters the problem of the use of the water for power purposes. Of political problems this would necessarily be one of the first to be adjusted as between the two provinces of Ontario and Quebec on the one hand and the Dominion on the other.

Export, Monetary, Problems

Another national problem is that of the export of power, a question which has recently been much in the public mind. This has already involved Dominion and provincial governments and has a most important bearing upon the St. Lawrence project.

Financial problems are no less momentous. To provide the money for such a large undertaking is no light matter for a young country situated as Canada is at the present time. While Canada would be a sharer with the United States in financing the undertaking, it is to be remembered that Canada has already very large commitments in the new Welland canal. On the other hand, the Dominion government would probably be concerned only with navigation whilst the power requirements would be provided by provincial governments or private interests.

Exchange

NEW.YORK FUNDS

	xHigh	xLow	Last Year High	Last Year Low
Nov. 12	3-32	3-32	1-32	1-64
Nov. 13	3-32	3-32	1-32	Par
Nov. 14	3-32	3-32	1-64	Par
Nov. 16	3-32	3-32	Par	Par
Nov. 17	3-32	3-32	Par	Par
Nov. 18	3-32	7-64	Par	Par

xDiscount.

STERLING, FRANCS AND LIRE

	Sterling Demand	Francs Demand	Lire Demand
Nov. 12	4.84½	4.07	4.05¾
Nov. 13	4.84 7/16	4.03¼	4.05¼
Nov. 14	4.84 7/16	3.99¾	4.03
Nov. 16	4.84⅜	4.01½	4.00½
Nov. 17	4.84⅜	4.00¾	4.00
Nov. 18	4.84¼	3.94¼	3.99¼

When Will Ontario Recognize Canadian People as a Race?

Registration Department Refuses to Accept Statement That Baby's Racial Origin is Canadian — Easy Way to Avoid Trouble is to Put Down Anything

"How much longer must those of us, born under similar circumstances, suffer the indignity of the Registration Department striving to establish that we are not a race of people?"

The above query, addressed to Dr. J. W. S. McCullough, Ontario Department of Vital Statistics, raises an important point. The writer of the letter was confronted with the task of registering the birth of a daughter. He was asked to give the racial origin of the parents. The best he could do was to state that his wife was an American and that he was a Canadian. He could not trace beyond that time to learn where their great grandparents came from. Yet the department is insisting that they do so and will not register the birth.

The father in question contends that the department would force him to put down something that he cannot honestly do. He makes the point that the easy way to overcome the strange stand of the department is to put "anything" down. Thus the very object of the department, to get a proper record, would be defeated.

But by his question, as quoted above, the father raises an important point. He wants to know when the government is going to allow the starting of the registration of a race of Canadians. He says they prate about "Canada for Canadians," but the Ontario government department says there are no Canadians.

Co-operation Pays!

THE Financial Statement of The United Farmers Co-operative Co. Limited for a period of eleven months ending September 30th, 1925, which will be presented to the shareholders at the annual meeting to be held in Massey Hall, Toronto, on Tuesday, December 8th, will show a record of gratifying progress.

Creamery Department: Now operating the largest Creamery in Ontario. Total output for eleven months approximately 2,500,000 lbs.

Livestock Commission Department: Total business for eleven months exclusive of Montreal business and stock received off the road: 6,212 carloads comprising 63,413 cattle; 29,391 calves; 38,297 sheep and 201,138 hogs. Total Money Value $9,470,167.38.

Produce Dep't: Approximately a million and a half dozen eggs were handled during eleven months, about half of which were shipped through the Egg Pool.

Grain and Feed Dep't: Business included 3,500,000 pounds of flour and about 1,000 car loads of Feed.

Seed Department: Approximately 25,000 Bushels of Seed.

Farm Supplies Dept: 175,000 rods of wire fence, 3,000,000 lbs. Binder Twine, 500 cars of Coal, as well as a large volume of business in Shingles, Fence Posts, Roofing, Rope and Cement.

The earnings are considerably in excess of last year, the net profits showing an increase of about 35 per cent. over last year, commodity dividends on a patronage basis being about double last year's figure.

The United Farmers Co-operative Company Limited

109 George St. **Toronto**

The Sherwin - Williams Company, of Canada, Limited

Notice is hereby given that the twenty-first quarterly dividend of one and a half per cent. (1½%), for quarter ending November 30th, 1925, on the Common Stock of the Company, has been declared payable to shareholders of record on the 15th day of December, 1925, and that cheques for same will be mailed on the 31st day of December, 1925.

Books not closed.

By order of the Board.

D. A. WHITTAKER,
Secretary-Treasurer.
Montreal, Que., November 11th, 1925.

The Sherwin - Williams Company, of Canada, Limited

Notice is hereby given that the fifty-eighth quarterly dividend of one and three-quarters per cent. (1¾%), being at the rate of seven per cent. (7%) per annum, for quarter ending November 30th, 1925, on the Preferred Stock of the Company has been declared payable to shareholders of record the fifteenth day of December, 1925, and that cheques will be mailed on the thirty-first day of December, 1925.

Books not closed.

By order of the Board.

D. A. WHITTAKER,
Secretary-Treasurer.
Montreal, Que., November 11th, 1925.

BANK OF MONTREAL

NOTICE is hereby given that a DIVIDEND OF THREE per cent. upon the paid up Capital Stock of this institution has been declared for the current quarter. A BONUS of TWO per cent. has also been declared for the year ending 31st October, 1925, both payable on and after TUESDAY, the FIRST day of DECEMBER next, to shareholders of record of 31st October, 1925.

By Order of the Board.

FREDERICK WILLIAMS-TAYLOR,
General Manager.
Montreal, 16th October, 1925.

The Canadian Bank of Commerce

Dividend No. 155

Notice is hereby given that a dividend of three per cent. upon the paid-up capital stock of this Bank has been declared for the quarter ending 30th November, 1925, together with a bonus of one per cent., payable at the Bank and its Branches, on and after Tuesday, 1st December next.

The Transfer Books of the Bank will be closed from the 16th November to 30th November next, both days inclusive.

By Order of the Board,

JOHN AIRD,
General Manager.
Toronto, 23rd October, 1925.

The Royal Bank of Canada

DIVIDEND NO. 153
AND BONUS

NOTICE is hereby given that a Dividend of Three per cent. (being at the rate of twelve per cent. per annum) upon the paid-up capital stock of this bank has been declared for the current quarter, also a bonus of two per cent. for the year ending November 30, 1925, and that the same will be payable at the bank and its branches on and after Tuesday, the first day of December next, to shareholders of record at the close of business on the 31st day of October.

By order of the Board,

C. E. NEILL,
General Manager.
Montreal, Que., October 13th, 1925.

The Bank of Toronto

Dividend No. 177

Notice is hereby given that a Dividend of Three Per Cent. for the current quarter, being at the rate of Twelve Per Cent. per annum upon the Paid-Up Capital Stock of the Bank, has this day been declared, and that the same will be payable at the Bank and its branches on and after the FIRST day of December next to Shareholders of record at the close of business on the 14th day of November, 1925.

By order of the Board.

JOHN R. LAMB,
General Manager.
The Bank of Toronto, Toronto,
October 14th, 1925.

The Bank of Nova Scotia

Dividend No. 224

Notice is hereby given that a Dividend of Four per cent. on the paid-up Capital Stock of this Bank has been declared for the quarter ending December 31st, and that the same will be payable on and after Saturday, the second day of January next, at any of the offices of the Bank in Canada.

The Stock Transfer Books will be closed from the 17th to the 31st proximo, inclusive.

By order of the Board.

J. A. McLEOD,
General Manager.
Halifax, N.S., November 12th, 1925.

"Proper Preparation" - "Better Times"

THE CRUX—

Your Sales Organization and Advertising

My service in connection with these vital factors will be worth many times the expense, and the result will mean increased profits with decreased cost—for years.

This broad claim is backed by twenty-five years' successful application in Canada and very close association with the best brains of America on these vital issues.

The result of my analyses will be a true picture of your business and its possibilities, from an independent and impartial viewpoint, absolutely free from any leanings or traditions.

Many business problems with the field organization and internal organization are complex, with difficulties of arriving at the best solution or deciding What Is The Trouble.

Seek the Facts
Face the Figures
Find the Solution
Apply the Remedy

I have the remedy and would ask you to put it to acid test—that is my counsel on

Sales Promotion
Modern Merchandising
Advertising Programmes
Manufacturing Problems

Excellent credentials available.

F. E. MUTTON
Business Economist
705 Federal Building, Toronto **Adelaide 8031**

Featuring the Food Industry

THE FINANCIAL POST

The Canadian Newspaper for Business Men and Investors

Special Section 17-32 PUBLICATION OFFICE: TORONTO, NOVEMBER 20, 1925 Special Section 17-20

How Big Business is Performing the Modern Miracle of Feeding Multitudes

Efficient Organizations Are Helping to Solve Cost of Living Problem

THE MODERN BAKER

Big Plants Combine in the Production of Many Thousands of Loaves at Prices Less Than the Home Product

IN THE days of not so long ago there were corner bakeries and corner butcher shops from which the public was supplied with products turned out on the premises or secured from local sources. Even the corner grocers depended to a very large extent on local supplies for many lines of produce and provisions.

To-day a great portion of the people of the country—including practically all the populations of the larger towns and cities—depend for their supplies of meats and bread, as well as their biscuits, fruit and fish (in cans) and many other foodstuffs, on the products of big industrial concerns distributing their various lines either through their own facilities or retailers.

The feeding of the people of the nation has become big business—it has been largely industrialized. To the big and bigger flour mills, sugar refineries and packing plants, are being added bakeries, dairies, biscuit and confectionery makers, and latterly, the wholesale and retail grocers. This revolution in the food manufacturing and distributing industries is the contribution of business to solving the problem of the cost of living. There was a time, not so many years ago, when little thought was given to the cost of food in the average Canadian home. Not so to-day. To meet the situation, the food industries have applied the tested methods of modern business organization. Mergers have consolidated small units looking to the reduction of overhead costs, until to-day the price of bakers' bread and canned fruits and vegetables, have been brought to a level which in relation to the cost of materials makes it impossible for the housewife to avoid the manufactured product as a matter of dollars and cents apart from the labor involved in home baking or home canning, and the loss which inevitably occurs as the result of these activities.

The Modern Baker

The bakery is one of the recent examples of the application of big business methods in the manufacture of foods. Baking bread is as ancient as the art of cooking, but the bakeries are comparative newcomers to the ranks of industry. In Canada there were in 1910, 323 plants producing bread, biscuits and confectionery, with a capital investment of $16,756,289, and turning out products valued at $25,566,691, while in 1922 the number of plants had risen to 2,233 with a capital investment of $59,231,000, and turning out products valued at $90,261,000. It is not possible to segregate the figures relating to the plants turning out baking products alone in 1910, but in the year 1923 the number of bakery plants was 1,980, with capital investment of $28,231,000 and turning out products valued at $48,859,478.

A distinctive feature of this development is the concentration of pro-

(Continued on page 25)

The Business of Supplying Foods

THE DAIRY INDUSTRY
Butter and Cheese

Establishments	2,982
Capital	$ 31,758,316
Employees	9,366
Salaries and wages	$ 8,990,947
Cost of materials	$ 84,932,404
Value of products	$106,405,412

THE BISCUIT AND CONFECTIONERY INDUSTRY

Establishments	361
Capital	$36,827,117
Employees	12,724
Salaries and wages	$11,125,161
Cost of materials	$23,959,877
Value of products	$48,394,175

REFINED SUGAR

Establishments	7
Capital	$45,618,182
Employees	2,741
Salaries and wages	$ 4,160,769
Cost of materials	$61,817,862
Value of products	$77,004,026

BREAD AND BAKERY PRODUCTS

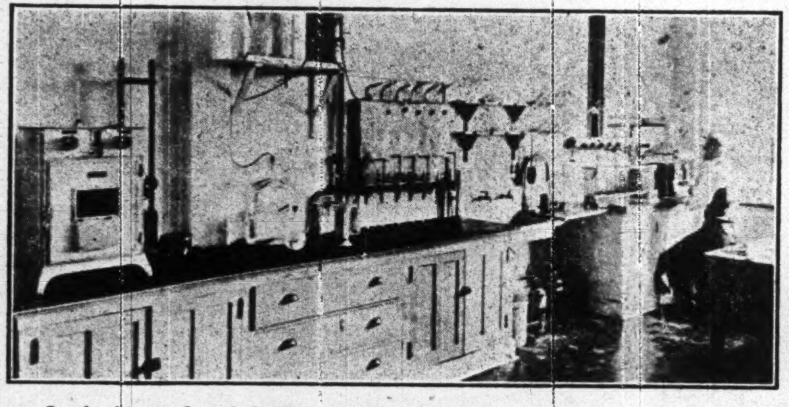
Establishments	1,980
Capital	$28,231,856
Employees	12,305
Salaries and wages	$22,215,094
Cost of materials	$24,287,282
Value of products	$48,859,478

BREWERIES

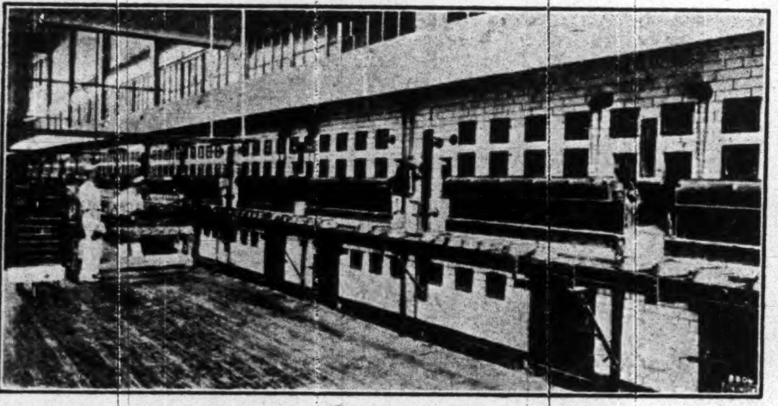
Establishments	52
Capital	$38,384,708
Employees	3,100
Salaries and wages	$ 4,308,550
Cost of materials	$ 9,846,130
Value of products	$29,260,243

FISH CURING AND PACKING

Establishments	938
Capital	$24,027,549
Employees	15,447
Salaries and wages	$ 3,769,914
Cost of materials	$15,331,193
Value of products	$25,374,763



In the big modern bakeries every ingredient is tested every day in the plant laboratories.



Large traveling ovens now bake 7,000 loaves of bread an hour.
—Photos taken in Shelly Bakeries, Vancouver.

Selling Public on Benefits of Big Business in Foodstuffs

Big business has assumed a new relationship of intimacy with the public through the baking, milling, packing and other food industries. Not only is there the great mass of consumers who must be convinced of fair dealing, but there is also the investing public, supplying the funds for the various enterprises, to be considered. It is highly important therefore that the various mergers and consolidations being consummated in bringing the food manufacturing and distributing industries to a basis of modern efficiency, should be understood and appreciated as entailing material benefits for society.

It needs no vivid imagination to foresee government interference of a troublesome and perhaps disastrous character if opportunist politicians should succeed at any time in starting an agitation in government circles on the ground that the combines are cornering the food supplies and throttling the consumers. Experience teaches that it needs little discontent to start such an agitation and that the benefits derived from efficient business organization are not likely to be appreciated unless effective methods are taken to gain this end. And, of course, it goes without saying that the various businesses should be honestly and efficiently conducted on the basis of small profits and the greatest good to the greatest number. Effective steps can be taken to offset the dangers of the agitations referred to by convincing the business men and other leaders of community thought that big business has a proper place in the milling and food industries in rendering effective public service.

Under the old order of things John Jones, a baker, owned his bakery. He was shareholder, management and directorate all in one. To-day, fifty of the Jones' bakeries are consolidated into one concern and there are thousands of owners who hold stock and who control the directors, their representatives, who in turn decide the policy of the management. Thus there devolves upon the directors not only the duty of directing the management but of telling the shareholders, the owners, how their business is being operated. And this should be intelligently done in order that the shareholders may be used as an effective factor in influencing and educating public opinion to the benefits of organization in the manufacture and sale of food products. Many of the larger food industries are recognizing that under these conditions the more widely their shares are held the better and that shareholders should be kept well informed as to company policies. Through them and by other intelligent methods the public can be kept informed of the benefits to the consumers of modern business methods in supplying the people with food at moderate cost.

West Will Reap Big Profits From Its Animal Products

Livestock Production is Being Generally Adopted as a Big Feature of the Program of Mixed Farming

To speak of Western Canada without mentioning livestock would be to forget its past history. The old Northwest Territories, and in particular that part of the territories which is now Alberta, was first known as a cattle country, and the best spot in world for the raising of horses. Its first real settlers were the ranchers who settled along the foothills all the way from Milk River to Cochrane, and each big ranch was a sort of feudal principality. With the coming of the farmer, twenty years ago, the big ranches were broken up, and the farmer with his ten to twenty head of cattle took the place of the large ranch holdings multiplied many times. The story of the cattle industry in Alberta reads like an epic. For years it was the mainstay of Alberta's business. To-day it is eclipsed by the wheat-raising industry, but the livestock business as a whole remains the second in value in the province. The years following the close of the war, with the deflation of 1921, and the application of the Fordney tariff, caused a crisis in the cattle business of Western Canada, which had been accustomed to market its surplus in Chicago. But the people of the province are fighting out the issue and will yet find a solution. In the meantime, the farmers and cattle men of Alberta are not going out of cattle, and have increased their holdings in 1924 by 100,000 over the census figures of 1923.

The quality of Western Canada cattle is constantly improved owing to the adoption by so many farmers of the policy of winter feeding, and the situation is being improved by more orderly methods of marketing, these winter fed cattle being sent to market from January to May instead of in October and November. Quality in Western cattle has also been vastly improved by the periodic bull sales which for several years have been held throughout the Prairie Provinces. These sales have had the effect of rapidly distributing finely-bred animals of kinds and breeds which completely changed the type of beef animal raised on the prairies, even fifteen years ago. The complete solution of the question will come with the development of a greater home market, the reduction of the United States duty, or both.

Trade Development Slow

Western Canada's attempts at developing a trade in beef or cattle with Britain and Europe have not been entirely satisfactory, due chiefly to transportation difficulties and cheaper foreign sources of production. The contrary has been the case with reference to hog marketing. Production has grown very fast. In 1907 Alberta had approximately 100,000 swine. In 1924 she had approximately a million, and as to quality the Alberta grain-fed hog is in a class by himself. Even with the handicap of distance and the necessity for a

(Continued on page 32)

Market Record of Food Stocks

	Div. Rate	Yield Nov. 14	Range 1923 High	Range 1923 Low	Range 1924 High	Range 1924 Low	Range 1925 High	Range 1925 Low	Price Nov. 14 (or last)
Atlantic Sugar, com.		....	27½	14½	21¾	11	37½	13	33½
Do. pref.		....	48	34¼	51	32½	88	40	87
B.C. Fishing		....	24	12	25	8	59½	19	58½
Canada Bread, com.		....	66¾	52	105	63	65	39¾	61½
Do. pref. (A)	7	6.60	95	90	104	95	107½	100	106
Do. pref. (B)	7	7.33	..	..	..	..	96	85¼	95½
Can. Canners, com.		....	..	..	..	..	15	11½	14½
Do. pref.		....	..	..	..	..	69⅝	53¾	68½
Can. Salt	8	5.51	112½	100	120	108½	154½	112	145
Christie Bis., com.		....	..	..	..	..	64¼	31¼	62
Do. pref.	7	5.93	..	..	..	..	118	109½	118
City Dairy, com.	12	3.57	175	135	*66	*43	90½	65	84
Do. pref.	7	6.48	106	96	110	104	110	104½	108
Cuban Can. Sugar, com.		....	13⅛	3	13	6	10	3½	3½
Do. pref.		....	47	25	50	33	44½	25	26
Dom. Stores, com.	1.00	....	27¼	26¼	36	24½	72¼	28½	65
Do. pref.	8	7.47	86½	85¾	100	81	109	97½	107
Davies, Wm. (A)		....	36½	24	27¼	11¾	36	24	35½
Frontenac Brew., com.		....	60	43	73¾	55	120	54	120
Do. pref.	7	5.83	120	100	122	90	120	100	120
Inter. Milling, pref.	7	6.79	..	..	100	93	103	69¾	103
Lake of Woods, com.	12	6.93	184½	160	188	167	193	169	173
Do. pref.	7	6.08	119	113	121	115½	125½	115	115
Maple Leaf Mill., com.		....	126	38	90	59	100	80	93
Do. pref.	7	6.79	102	64	100¼	87	104¾	96	103
Nat. Breweries, com.	4	7.69	56⅛	46	63⅝	48½	68	42	52¼
Do. pref.	7	6.54	98	85	106	95	110	98	107
Ogilvie Flour, com.	5+3	4.76	345	270	380	304	180½	135	168
Do. pref.	7	5.78	120	115	122	116	127	120	121
Pure Gold Mfg.	50c	....	..	..	..	..	27	21½	22¼
Shredded Wheat	10	6.13	154	140	140	135	168⅝	148	163
St. Law. Flour, com.		....	83	49¼	75	65	65	27	37
Do. pref.	7	8.53	95	90	95	90	82	78½	82
West Can. Flour	8	6.66	115	93	107	98	120	104½	120
Western Grocers, com.		....	11½	5	6	2	14½	4½	14
Do. pref.		....	..	..	..	..	51¾	38	51¾

*Stock split into four shares.

Canada Exports 60 P.C. of Flour it Produces

Total Production of Canadian Mills is Now More Than 19,000,000 Barrels Yearly—Bakeries are the Big Customers

CANADA produces about 19,000,000 barrels of flour yearly. The figure varies from year to year with the rise and fall of export demand but that is about the present production. Flour consumed in Canada runs about 8,000,000 barrels a year, which is a little less than one barrel per capita. The remainder of the flour produced by Canadian mills is exported to the United Kingdom, Europe, the Orient and other parts of the world.

Of the 8,000,000 barrels of flour used in Canada, about 5,000,000 barrels is used in the homes and is sold through wholesale and retail establishments or direct from the grist mill to the ultimate consumer. It would perhaps surprise most people to learn from these figures that about five-eighths of the bread, cakes, etc., used in Canada is baked in the homes. The rapid development of the bakery business has put bakers' bread and bakers' cake on the tables of most city homes but the vast farm population is still served from the kitchen oven.

The cities buy bakers' bread chiefly. It is estimated that between eighty and ninety per cent. of the flour sold in Toronto, for instance, is sold to the bakeries and only the residue to the homes.

More definite figures are available to show that Eastern Canada uses its flour in the bakeries more than does the West.

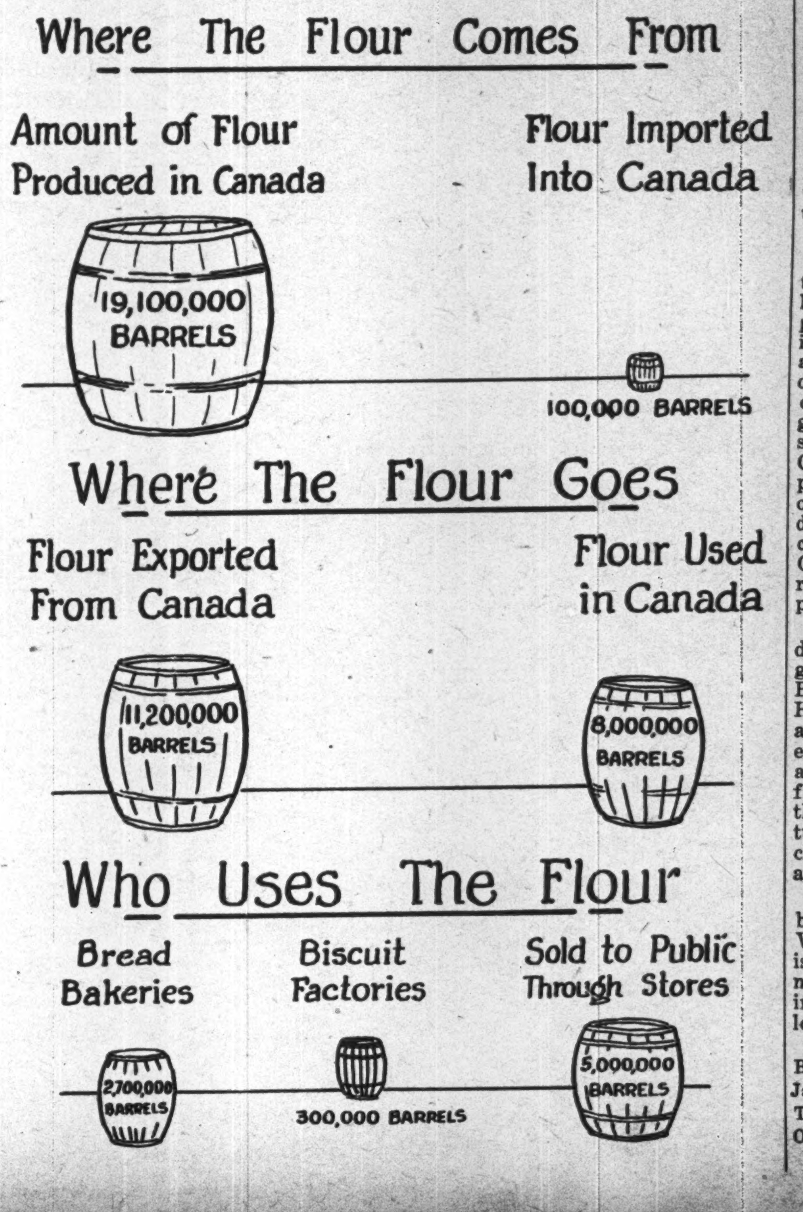
Eastern Canada uses about 4,850,000 barrels of flour yearly. Of this 2,270,000 barrels is sold to the bakeries and 2,580,000 to the homes.

Western Canada uses 3,150,000 barrels of flour yearly. Of this 600,000 barrels is sold to the bakeries and 2,550,000 barrels to the homes.

Below are some figures, garnered from reliable statistics on the destination of Canadian flour produced in 1923, the latest year for which accurate data can yet be had.

Canadian flour mills use wheat to the amount of	86,000,000	bushels
From this they make flour to the amount of	19,100,000	barrels
Canada imports flour to the amount of	100,000	"
Making total available flour	19,200,000	"
Of this, flour exported totals	11,200,000	"
Flour consumed in Canada totals	8,000,000	"
This is divided as follows:		
Flour sold to bakeries	2,700,000	"
Flour sold to biscuit factories	300,000	"
Flour consumed by public	5,000,000	"

In 1924, the next year, Canada produced 18,907,000 barrels of flour and exported 11,476,000 barrels.



ORIENT GREATEST POTENTIAL MARKET FOR OUR FLOUR

Vast Population is Turning to Wheat Products as Staple Food

MARKETS IN EUROPE

Because of Political Conditions Russia is Making Little Headway as an Export Factor in World Markets

The milling industry has been passing through a difficult time in Canada owing to the general unsatisfactory condition of business, keen competition, high costs of transportation in comparison with those in the United States, and the effect of the United States tariff against Canadian grain products. There is, however, another side to the picture. It involves the vast market which is opening up for Canadian flour in many parts of the world, and the growing prestige of the Canadian product, which is due to the unexcelled quality of the northern grades of wheat.

The markets which hold the greatest promise of expansion are Great Britain, certain European countries and the Orient. Prior to the war, Britain drew most of her requirements in this respect from the continent, but the inability of continental countries to meet the ever-increasing requirements, and especially the fact that Russia is virtually out of the running for the present, have forced Britain to "shop" about in the world markets. Like all other good business men, British buyers are going to buy where the best terms are offered, all factors considered. Canada must not nurture any misapprehension that Britain is going to continue to buy Canadian wheat, if Russia, for example, should come back into the market and offer better terms and an equally satisfactory product. There is every evidence, however, that the Canadian product is proving satisfactory to the British market, and that Canada can hold this market if the proper policy be pursued. Britain will always be a large importer of grains, and Canada bids well to build up a permanent market. The value of Canadian flour bought by Great Britain in 1923 was $27,174,526; in 1924 it was $22,188,665, and in 1925, $20,123,850.

Europe Turns to Canada

With Russia and the Balkan wheat growing area at present incapable of supplying the demand of the flour-importing countries of Europe, their buyers turn naturally to the other large exporting countries of the world. Since Canada has a well-established grain trade catering to Europe's need, through the United Kingdom, it is natural for these countries to avail themselves of the facilities already existing, especially in view of the widespread reputation of Canadian wheat. It is for this reason that many of the countries of Central and Southern Europe buy large quantities of Canadian flour. Even Russia was a large buyer from us during the past year. The revival of Central and Northern Europe undoubtedly presents a serious problem to Canada, and one which will have to be met sooner or later. For the immediate future, Europe will most probably continue to need large quantities of our product.

Big Market in Orient

It is, without doubt, in the East that we must look for our big market for flour. Owing to the present political and economic chaos in China, it would be indeed difficult to make any forecast with regard to future developments there. China is an uncertain quantity. The Oriental is gradually turning to a greater consumption of wheat products, and China is not, as yet at least, a wheat producing country. The possibilities of such a market are unlimited, when developed, but it is evident that that country which does most work in China to-day will reap the largest rewards in the future. Canada is not prominent in this respect.

With Japan the situation is quite different. Japan can never become a great wheat-producing country. Like Britain she must remain an importer. Her population is increasing rapidly, and she, too, is turning to a greater extent towards wheat products. Japan already imports large quantities of flour from Canada, and it is apparent that Japan offers the greatest opportunities in this respect. Japan's purchases of Canadian flour last year amounted to $104,137.

Other markets for Canadian flour, both actual and potential, are the West Indies, especially the British islands. The purchases of our flour made by some of these islands during the past two years were as follows:

	1924	1925
Barbados	$ 427,419	$ 411,516
Jamaica	1,271,550	1,260,578
Trinidad & Tobago	1,680,046	1,704,473
Other Br. West Indies	853,359	1,030,019

Packing Houses Have Weathered Depression

Recovery of British and European Buying Power Has Been Largely Responsible For the Change For the Better

Adverse conditions in Europe were the chief cause of the depressed condition of the packing industry in Canada during the post-war period, and it is only the gradual recovery of Europe that will permanently improve this situation. That this is already well under way is seen from a generally better outlook which is evident in the European markets.

The most important market for Canadian packing house products is the United Kingdom. During the fiscal year 1924 we shipped to the United Kingdom more than $18,000,000 worth of these products, and last fiscal year the total reached $24,613,041. At the same time our total exports of slaughter house and packing house products amounted to $22,504,357 and $29,032,978 respectively. These figures show the gradual improvement that is taking place, with fair accuracy.

European Competition Strong

In addition to the depressed condition of the British and European markets during the post-war period, the Canadian industry had to contend with severe competition from such countries as the Netherlands. With the beginning of 1924, however, the situation took a turn for the better, although the first quarter of the year was disappointing. The pound sterling had appreciated materially and the buying power of the continental countries was substantially improved. As a result, Canadian packing houses began to get back their European business in a large way, and the general outlook became favorable.

There has been an erroneous impression that the packing house business is one which makes enormous profits. The margin of profit, on the other hand, is usually small. During the war certain of the packing houses made large profits not because the industry was profiteering, but rather since the volume of output had to be increased enormously to keep pace with increasing demand. Only the surplus laid aside during the war period enabled many firms to remain in business. during the trying period after the war. Recently the Canadian bacon and other products have been regaining the prestige which they had built up in the British market prior to the war.

Better Off Than States

The Canadian hog situation has something of a start on the situation in the United States. Abnormally high corn prices in the central States has discouraged hog production on account of the narrow margin of profits. Hog production for the entire United States fell off 19 per cent. in 1924 over 1923. Following the war for a long period the market for packing house products was flooded with a surplus of government supplies, and prices were held down accordingly. Packing houses were obliged to obtain large loans from the banks. During the past two years this situation has gradually righted itself; liquidation has taken place gradually, and the outlook for the packing house industry has improved materially. This improvement, however, is not as great as that which has taken place in the Canadian industry.

The value of the capital investment of slaughtering and meat packing industry in 1924 was $56,675,118, apportioned as follows—$26,622,527, the value of the land, buildings and machinery; $16,773,272, the value of materials, supplies and products on hand, stocks in process, etc.; and $13,279,319, the cash and operating accounts. The total value of capital shows an increase over the preceding year of $3,616,342, but a decrease from the year 1922 of $35,363.

The total number of persons employed was 10,046, comprising 2,556 classified as salaried employees and 7,490 as wage-earners. Compared with the preceding year, a decrease of 106 is shown in the number of salaried employees and an increase of 238 in number of wage-earners. The amount paid in salaries during the year was $4,814,191, and in wages, $8,313,313, a total of $13.127,504. Increases of $100.926 and $318,325 respectively are shown in the amounts paid to salaried employees and to wage-earners, compared with the amounts paid in 1923. The statistics of employment by months show the minimum number of wage-earners as employed in April and the maximum number in November. The numbers for the two months were 7,044 and 8,421 respectively.

The power equipment of the plants consisted of 72 steam engines with a total rated capacity of 8,273 h.p.; 9 gasoline and oil engines of 451 h.p.; and 1,431 electric motors of 23,118 h.p. Compared with the preceding year, the numbers of steam engines and gasoline and oil engines show decreases of 8 and 3 respectively, while the number of electric motors shows an increase of 81. The boilers in use numbered 119 with a total rated capacity of 15,776, a decrease of 11 in number. but an increase of 939 h.p. in capacity.

The total number of animals slaughtered was 4.585,428, compared with 3.915.406 in 1923. The numbers of the different kinds in each of the two years are as follows, the figures for 1923 being in brackets: beeves. 590.628 (564.541): sheep. 544,394 (614.903): hogs, 3.050 159 (2.472,740); calves, 400,247 (263.222). The total cost value of the animals slaughtered was $85,552,366, compared with $82,010,741 in the preceding year. Materials used comprise dressed meat purchased fresh or partially cured, valued at $8,830,953; oils, salt, sugar, spices, containers, etc., valued at $10,399,738 and "other materials" at $1,980,934. The total value of animals slaughtered and materials used was $106,764,011, a decrease of $1,024,333 from the preceding year, although the actual number of animals slaughtered shows an increase in all classes except sheep. The decrease in total cost is due to the decrease in the item of "all other materials" and is accounted for in the same way as the decrease in the item of "all other products," viz.; the exclusion from the returns of 1924 of such materials as butter, eggs, etc., which may have been purchased for re-sale.

The total value of products of the slaughtering and meat packing industry imported into Canada for consumption during the fiscal year 1925 was $16,211,943, a decrease of $2,250,981 from the preceding year and a decrease of $4,761,697 from the value of imports for the year 1923. The value of products of the industry exported during the fiscal year 1925 was $40,597,201, an increase over the preceding year of $9,645,058, and an increase over the year 1923 of $2,361,269.

Slaughtering and Meat Packing Industry

No.	Province	Capital Invested	Employees No.	Employees Salaries and Wages	Factory Value of Products Sold
10	Maritime Provinces	$ 479,510	98	$ 99,442	$ 1,023,943
20	Quebec	8,536,837	1,702	2,124,293	21,207,178
25	Ontario	33,171,386	5,260	6,839,812	77,684,373
7	Manitoba	5,367,044	1,177	1,472,480	13,339,303
2	Saskatchewan	....	....	....	....
5	Alberta	6,610,908	1,342	1,899,818	12,890,976
5	British Columbia	2,509,433	467	691,659	7,594,498
	Total	$56,675,118	10,046	$13,127,504	$113,740,271

Thirteen Per Cent. Rise in Value of Brewing Products

The quantity and value of the principal products in the brewing industry in 1923 amounted to $29,260,243, against $25,875,730, in 1922.

Following is a statement of the products in detail:

Product	Unit	Quantity	Value
Beer, ale, stout, etc., in barrels	gal.	12,483,585	$ 6,280,820
Beer, ale, stout, etc., in bottles	gal.	21,224,317	18,392,991
Beer, ale, stout, etc., in bottles (2½%)	gal.	4,236,673	3,279,628
Beer, ale, stout, etc., etc., in barrels (2½%)	gal.	1,255,140	537,006
Malt flour	lb.	2,588	388
Grains sold, wet and dry	ton	48,447	227,377
Aerated waters		......	471,564
All other products		......	70,469
Total		......	29,260,243

The capital invested in the brewing industry by provinces during 1923 was as follows:

Capital Employed, 1923

Provinces	Land, buildings and fixtures	Fixed capital Machinery and tools	Total
CANADA	$17,594,648	$8,575,384	$26,170,032
Ontario	4,057,441	2,308,730	6,366,171
British Columbia	1,431,801	392,136	1,823,937
Quebec	8,576,560	4,495,611	13,072,171
Alberta	2,571,889	661,968	3,233,857
Manitoba	471,717	372,308	844,025
Other provinces	485,240	344,631	829,871

More than four million dollars was paid out in salaries and wages in Canada in 1923:

Employees, Salaries and Wages, 1923

	Male No.	Female No.	Salaries and wages
Salaried officers of corporations	52	3	$ 325,201
General superintendents, managers	75	..	301,694
Technical experts, chemists, accountants, etc.	82	..	216,769
Clerks, stenographers, salesmen, etc.	270	55	492,013
Employees on wages (average number)	2,530	33	2,971,873
Total	3,009	91	$4,308,550

Exports of Meat Products Rise as Imports Fall

Although there were fewer meat-slaughtering and meat-packing plants in operation in Canada last year than in the year previous, according to the annual report just issued by the Department of Trade and Commerce, of the Dominion Bureau of Statistics, the actual value of meats sold in 1924 showed an increase of $3,049,731 over the preceding year, with a total sales volume of $56,610,297. Increases in quantity are shown for all kinds of meat sold with the exception of mutton. The average prices of beef and pork sold fresh were lower in 1924 than in 1923, while the price of veal was higher. Mutton showed no change.

The table shows the production by quantity and selling value in 1924 and the two preceding years:

Kind		1922	1923	1924
Meats, sold fresh—				
Beef	lb.	292,945,201	304,672,736	312,185,326
	$	28,240,355	28,061,577	27,548,636
Mutton	lb.	22,512,028	25,820,458	23,445,396
	$	5,973,139	5,116,207	4,746,831
Pork	lb.	99,948,380	105,693,923	137,560,878
	$	16,691,166	16,754,294	19,699,538
Veal	lb.	27,490,961	24,709,405	27,872,180
	$	3,375,827	2,833,391	3,781,590
Meats sold fresh, n.o.p.	lb.	8,000,208	7,215,805	8,008,743
	$	925,245	795,097	833,702
Meats cured—				
Beef, salted or	$	274,985	315,328	285,005
Pork, salt.	lb.	34,573,593	55,122,332	56,419,312
	$	7,334,710	9,123,404	8,680,478
Hams	lb.	21,751,907	30,645,310	38,106,743
	$	5,452,580	7,204,104	7,317,827
Shoulders	lb.	19,385,422	25,547,566	21,727,408
	$	3,714,678	4,088,663	3,285,292
Bacon and sides	lb.	66,366,742	80,505,261	83,003,125
	$	17,424,984	17,284,734	16,474,740
Meats, cured, n.o.p.	lb.	43,875,012	9,046,409	11,405,433
	$	9,366,306	1,805,445	2,083,098
Sausage, fresh and cured	lb.	24,456,021	33,409,707	30,098,782
	$	3,815,190	4,054,851	4,314,258
Sausage casings	$	746,552	696,420	1,140,716
Canned meats	lb.	5,386,571	5,155,097	5,583,602
Cooked meats	lb.	13,657,648	15,721,035	20,420,382
	$	5,065,946	4,730,838	5,120,595
	$	1,028,905	1,259,466	814,528
Lard	lb.	49,338,784	57,903,036	59,517,390
	$	7,670,130	8,872,240	9,321,000
Lard, compound X	lb.	33,477,052	32,903,973	15,034,561
	$	4,364,246	4,850,641	2,091,572
Shortening, n.o.p.	lb.	XX	XX	20,033,822
	$	XX	XX	2,825,082
Tallow	lb.	13,436,257	17,335,184	19,289,961
	$	1,004,172	1,341,007	1,700,248

XIncluded other shortening in 1922 and 1923.

XX Included with lard compound in 1922 and 1923.

Average prices for cured meats were lower in 1924, and this reduction in prices is accountable for the drop of approximately $1,700,000 in value over the previous year, in spite of the increased quantities of meats produced. Increases in quantity are shown for all kinds of cured products, with the exception of shoulders and salted or cured beef.

Exports and Imports

The total value of products of the meat-packing and slaughtering industry imported into Canada for consumption during the fiscal year 1925 was $16,211,943, a decrease of $2,250,981 over 1924, and a decrease of $4,761,697 from the value of imports for the year 1923. The value of products of the industry exported during the fiscal year 1925 was $40,597,201, an increase of $9,645,058 over the preceding year, and an increase over 1923 of $2,361,269.

In other words, our exports were increased nine and one-half millions, with a simultaneous decrease of two and a quarter millions in imports.

The total value of meat products sold by Canadian meat-packing companies totalled $133,740,271 in 19 By provinces this amount was divided as follows: Maritime Provinces, $1,023,943; Quebec, $21,207,178; Ontario, $77,684,373; Manitoba, $13,339.303: Saskatchewan and Alberta, $12,890,976; British Columbia, $7,594,498.

CAN A MUTUAL FIRE COMPANY ISSUE NON-ASSESSABLE POLICY?

(Continued from page 14)

us in determining this question. So far as I am aware, there is no case of liquidation of the Canadian business of a foreign mutual fire insurance company.

"I have no information, either, concerning the liquidation of any Canadian mutual fire insurance company in which this question has arisen.

"I would, however, draw your attention to the provisions of some of the acts of the provinces in the event of the insolvency of a mutual company. The Province of Manitoba has, for instance, a provision for the appointment of a receiver of a mutual company and the powers and rights of a receiver are defined as follows:

> "Such receiver shall have full power, under the authority of the Court of King's Bench or any judge thereof appointing him, to make all such assesments of the premium notes or undertakings held by the said company as may be necessary to pay its debts and claims against it, as the directors would have authority to make, and the notice of assessment may be given in the same manner as is hereinbefore provided; and the said receiver shall have the like rights and remedies upon and in consequence of the non-payment of such assessments as are given to the company or the directors thereof, and such receiver may receive a surrender of any policy of said company or cancel any policy in all cases where the directors are authorized to receive the surrender of or cancel policies." (R.S.M. cap. 101, section 77).

"This would appear to give to the receiver only such power of assessment as is given to the directors.

"It is possible that if there was some such legislation in the state in which the company in question has been incorporated the question now being so frequently raised would not be necessary."

The Financial Post presents these views for the information of buyers and sellers of fire insurance who have been puzzled by the problem raised in this instance.

How the Sugar Market Affects the Canadian Sugar Companies

Low Sugar Prices Favor Domestic Refineries and Handicap Producers—Effect of Market on Canadian Companies and 1926 Outlook

Canadian investors are interested in the world sugar crop from two angles. First of all, they are interested because of the refineries which operate in Canada, and then, too, there is the investment interest in those companies which operate in Cuba and produce and grow their own cane. There is a considerable difference between the operations of these two classes of companies.

The companies which produce the cane and manufacture raw sugar are naturally interested in having prices high—more or less of a scarcity of sugar—whilst the refineries here in Canada can do more and better business with sugar prices low; in this way, as much capital is not tied up in inventories and the domestic companies can better compete in overseas markets.

Prices Have Been Very Low

This year sugar prices have been low. Consequently, the domestic refineries are experiencing better times, whilst the producers in Cuba are not faring well.

Sugar, starting with a price that netted the producers, at best, only a moderate profit, has declined to a level that, beyond all question, is below the cost of production. What has brought about this condition?

Like other commodities, the price of sugar conforms to the law of supply and demand. To ascertain the cause of the present low price, it is necessary to go back to the post-war boom period, when sugar sold at abnormally high levels. These high prices encouraged producers throughout the entire world to exert every effort to increase production, with the result that, during the present year, aided by the very best of climatic conditions, record crops have been produced.

Big Increase in 1925

In 1924 the world produced about 20,000,000 tons of sugar. For 1925 there will be an increase of some 3,500,000 tons. Had this increase come gradually, there would have been little trouble in handling it, but, coming as it did in a single year, it was more than the world could absorb.

Although the world consumption of sugar has mounted, it has not mounted sufficiently. But there is nothing wrong with the demand, for European consumption has increased by 1,265,000 tons, and, notwithstanding the fact that the 1924-25 crops were 2,000,000 tons greater, the crop year was ended with stocks of only some 400,000 tons more than in 1924. Consumption on this continent has increased also, and there has been no building up of invisible supplies, as buyers still continue to maintain their policy of hand-to-mouth buying in North America.

This year Cuba produced a record crop of 5,125,000 tons, as compared with 4,066,000 tons last year, which up to that time had constituted a record. Of this vast crop there remained in Cuba on October 15 only about 800,000 tons. Of this amount about 250,000 had been sold to Europe and to this country, leaving a balance of about 550,000 tons on hand. Last year the United States, between the middle of October and the end of the year, took about 300,000 tons from Cuba, and it is confidently expected that at least this much will be taken again this year. This would leave a theoretical maximum carry-over of only 250,000 tons, an amount certainly not alarming, particularly when the low price at which it is held is considered. Cuba can produce this quantity of sugar in a week during mid-season.

What Does the Future Hold?

What, then, is the outlook? During the coming year, Europe will have about the same crop as last, certainly not materially larger. It is reasonable to suppose, therefore, that Europe will buy about the same quantity of sugar from Cuba as during the present year. In the United States the domestic beet crop will be about 250,000 tons less than this year, whilst the Louisiana production will be a little up. Hawaii, Porto Rico and the Philippines, which have all had abnormally large crops this year, will probably show a considerable decrease in 1926. All appearances point to the fact that the Cuban market for sugar will be considerably broadened in 1926.

The future, then, depends upon the size of the Cuban crop in 1926. There have been many estimates made, ranging from 5,000,000 tons to 6,000,000 tons, but it is much too early to obtain any accurate data.

Although there is more cane in sight for the coming crop, it is by no means certain that it is in the splendid condition that was noted this time last year, it being generally understood that the same cultivation has not been pursued because of the low prices. However, the weather will probably prove to be the most important factor affecting the size of the crop.

A well-informed sugar authority estimates that about 600,000 tons of the increase of 1,000,000 tons of the crop just finished was due to nothing but the extraordinarily fine weather conditions which prevailed in Cuba during the season. Another contributing factor was the unusually heavy rains which obtained in 1924, and, while the weather for this next crop compares favorably with last year, it is noticed that the rains have not been so abundant.

Low Prices Purge Industry

Although the present outlook is for larger crops, it must not be forgotten that the distribution possibilities are also greater. At any rate, it is well to reserve opinions as to the actual size of the crop until the Cuban authorities publish their estimates around the beginning of December.

Taken by and large, it is probably a healthy thing for the sugar industry to have a period of low prices, provided such a period is not too prolonged. Low prices tend to restrict production and increase consumption—indeed they do so, not only in countries and by people where sugar is always sold, but also in poverty-stricken areas where sugar is a more or less rare commodity. In this way, an ever-increasing appetite for sugar is aroused, and once the demand is aroused, it is rarely lost.

Then, too, the producing companies are forced by the low prices to a high state of efficiency and a consequent lower cost of production. The benefits from this will be seen when the price advances to a more normal level, although in the meantime it will work a hardship on producers.

It is expected that next year the increase in the world's consumption, which has been stimulated by low prices, will absorb the entire world's production. There is one factor, however, which affects this, and that is the artificial control exercised by certain European countries in the form of high tariffs, which keep prices high within their own borders. In the meantime, the Canadian refineries are thriving on the lower prices, whilst the producers are the ones who are having the harder time.

Capital Invested in Sugar Industry, 1923

Items of Capital		Amount
Fixed Capital	total	$33,86,361
Land, buildings and fixtures		17,093,410
Machinery and tools		16,792,951
Working Capital—	total	11,731,821
Materials on hand, stocks in process, fuel and miscellaneous supplies on hand		5,684,815
Cash, trading and operating accounts, etc.		6,047,006
Grand total of capital		$45,618,182

Dominion and Provincial
Government Bonds
Municipal Bonds
Public Utility
and
Industrial Financing
Foreign Issues Quoted

DOMINION SECURITIES CORPORATION
LIMITED.
Established 1901
MONTREAL OFFICE
Canada Life Building
E. R. WOOD, President
Head Office: 26 King Street East
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LONDON, ENG., OFFICE
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Present Freight Rates Are Menace to Milling Industry

Discrimination Alleged by the Millers Shown to be Forcing Canadian Mills to Move to the United States

THAT freight rates on milling products in Canada are highly discriminatory in certain sections, and that they must be adjusted if the Canadian milling industry is going to remain Canadian, is urged by some of the best informed leaders of the industry. The problem was heard recently before the Dominion Railway Board, but nothing has yet been done.

While the causes for complaint vary in the different sections of the country, the big issue is the alleged discrimination in favor of milling on the American side of the border, and shipping over United States railways to American seaboard ports. The situation is especially applicable in the case of grain being milled in transit from the West, and particularly when it is shipped from one of the Bay ports in Ontario to the Atlantic seaboard. The result is that Canadian millers are encouraged to locate mills in the United States to take advantage of the privileges afforded in shipping their products over United States roads to New York or Philadelphia rather than through Montreal or other Canadian ports. Large quantities of Canadian wheat are being milled in Buffalo and other border cities, later to be shipped abroad as American flour.

There is no mere marginal difference in the rates referred to, but sufficiently substantial difference to determine the direction and destination of shipment of the products concerned. In the case of flour shipped from Buffalo to New York, the rate is 16 cents a hundredweight, against a rate of 18.5 cents if the product had been shipped from the Canadian side, a few miles away. From Goderich to the Atlantic seaboard, for example, the rate is 21 cents per hundredweight, while from Port Huron it is 18.5 cents. From Port Huron to Baltimore, the rate is 16.5 cents against 21 cents from Goderich. Similarly, the rate from Cleveland and from Detroit is relatively lower than the rate from any of the Canadian ports. From Detroit, the Canadian National Railway rate to New York is 18.5 cents; to Baltimore 16.5, and to Philadelphia 17.5 cents.

Canadian Flour Shipped as American

In addition to the fact that this rate difference has the tendency to drive mills to the United States side, one of the big complaints from the milling industry is that the Canadian wheat thus milled to advantage on the American side of the border is shipped to Europe and elsewhere as American flour. From the standpoint that it was milled in the United States, it undoubtedly is American flour, but it is produced from an exclusively Canadian product, the best grade of Canadian wheat, and is placed in direct competition with the Canadian product produced at a higher cost. Canada is thus losing the credit for the high quality of the product, as well as the business of milling industry to the United States. There is approximately $70,000,000 invested in flour mills in Canada at the present time, and there are more than 7,000 men, supporting a population of probably 30,000, employed. Wages in the industry amount to more than $6,000,000 a year, and salaries to about $3,000,000. The cost of materials is about $150,000,000, and the gross value of the products, more than $170,000,000. This is sufficient evidence that the milling industry is of vital importance to Canada, and that a serious loss would be sustained to the country, if even a part of the industry should be allowed, or rather compelled to migrate.

Proof of the advantage United States border cities have from the situation outlined is seen in the rapid development of the milling industry in Buffalo, for example. The output of the larger mills for the week ending October 3, 1925, along with figures for the output of the week previous, and for the corresponding week last year, and the year before, were as follows:

Week	Capacity bbls.	Output bbls.	% of Cap'y
Oct. 3	238,000	226,832	95
Sept. 27	238,000	240,174	101
Year ago	223,500	198,026	87
Two years ago	166,500	118,120	71

Another factor which does injury to the flour mills of Ontario particularly is the discrimination between freight rates on wheat and flour. The rate on wheat in bulk is materially lower than that on flour which is milled in transit, or milled in Canadian mills. As a consequence, it is materially better for the British miller to obtain the wheat in bulk from Canada and have it milled in British mills. Recent statistics for exports from Canada of wheat and flour products show that the British importers are taking full advantage of the situation.

It is evident that what is needed to safeguard the Canadian milling industry, is a very careful analysis of the whole rate question with a view to adjusting those rates, which discriminate against the home miller. The carriers may urge that the present rates are necessary in order to get business. It may be worth considering what volume of business the Canadian roads run the risk of losing, should the industry gradually migrate.

The Functions of the Canadian Wheat Board

During the war a board of grain supervisors of Canada was appointed by the Dominion government under the War Measures Act to control the disposition of the grain crops. Offices were established at Winnipeg and the crops of 1917 and 1918 were marketed under the control of this board. After the war this board was replaced by the Canadian wheat board, which was established on July 31, 1919, to dispose of the crop of that year. The board was given power to control the sale of wheat both for home consumption and for export, and, for a time, it also fixed the price of flour in Canada. In the disposal of wheat the board adopted a scheme whereby the producer received an initial payment and a participation certificate which entitled him to a further payment when all returns were pooled. The final result gave to the producer a price of two dollars and sixty-three cents per bushel on the basis of No. 1 Manitoba Northern in store at Fort William or Port Arthur. Crops in 1920 and 1921 were again handled by private enterprise, but the re-establishment of the Canadian Wheat Board has since been effected.

Value of Milling Products is More Than $150,000,000

The amount of capital invested in the industry is shown below, by clases of mills and provinces. Compared with 1922 there was a net decrease in flour and grist mills in Canada of $9,502,314. Of this amount land, buildings, etc., show a decrease of $2,129,321, materials on hand, etc., of $2,170,173 cash, trading and operating accounts of $5,202,820. On the other hand, machinery and tools showed an increase of $489,953. Chopping and feed mills show an increase in amount of investment of $1,605,015. Accounting for the decrease in capital, the items comprised under head of working capital together totalled $7,372,993 or 78 per cent, of the net decrease in the flour and grist mills industry. Following is a statement of the capital invested:

Capital Invested in Milling Industry

Provinces	In flour and grist mills	In feed mills	Grand total
CANADA	$56,426,207	$4,130,380	$60,556,587
Prince Edward Island	90,812	29,000	119,812
Nova Scotia	233,357	4,400	237,757
New Brunswick	309,717	5,200	314,917
Quebec	10,690,351	1,491,576	12,181,927
Ontario	28,404,327	2,465,541	30,869,868
Manitoba	6,600,166	27,125	6,627,291
Saskatchewan	3,306,323	52,933	3,359,256
British Columbia	1,406,236	.....	1,406,236
Alberta	5,384,918	54,605	5,439,523

The following is a statement of wheat milled and flour produced:

	Wheat milled			Flour produced		
Year	Quantity bush.	Cost value at mill	Average cost per bush.	Quantity bbl.	Selling value at mill	Average price per bbl.
1919	78,591,648	$178,900,649	$2.28	17,842,833	$185,982,307	$10.42
1920	61,116,380	151,094,018	2.47	13,127,320	153,117,662	11.66
1921	70,005,373	129,312,439	1.84	15,321,759	136,257,285	8.89
1922	81,413,649	102,803,200	1.26	18,055,010	112,445,551	6.23
1923	85,699,645	94,140,440	1.10	19,075,814	102,571,212	5.37

An analysis of the flour milling industry by provinces follows

1923		Canada	Prince Edward Island	Nova Scotia	New Brunswick	Quebec
Mills reporting	No.	1,387	25	30	46	436
Capital investment	$	60,556,587	119,812	237,757	314,917	12,181,927
Employees on salaries	No.	1,286	1	6	10	166
Salaries	$	2,321,738	300	9,634	13,282	456,022
Employees on wages	No.	5,500	21	31	78	1,160
Wages	$	5,128,690	10,347	21,375	42,455	713,405
Cost of fuel	$	636,612	2,118	4,871	6,349	41,922
Miscellaneous expenses	$	7,669,907	3,967	19,686	37,390	799,108
Cost of materials	$	128,473,059	186,988	299,695	951,393	22,238,863
Gross value of products	$	154,895,991	240,262	379,158	1,165,644	25,196,087
Net value of products	$	26,422,932	53,274	79,463	214,251	2,957,224

		Ontario	Manitoba	Saskatchewan	Alberta	British Columbia
Mills reporting	No.	679	37	66	61	7
Capital investment	$	30,869,868	6,627,291	3,359,256	5,439,523	1,406,236
Employees on salaries	No.	499	167	231	154	52
Salaries	$	788,375	511,267	391,573	282,734	85,027
Employees on wages	No.	2,863	520	336	431	78
Wages	$	2,902,506	519,180	367,206	469,686	82,830
Cost of fuel	$	267,721	119,714	128,809	60,137	4,971
Miscellaneous expenses	$	4,169,284	905,041	811,029	819,125	105,277
Cost of materials	$	73,079,793	13,655,348	7,177,829	9,979,193	903,957
Gross value of products	$	89,281,524	15,908,515	9,151,507	12,355,353	1,217,941

THE MILLING INDUSTRY IN 1923

No. of plants	1,387
Capital invested	$60,556,587
Employees on salary	1,286
Salaries paid	$2,321,738
Employees on wages	5,500
Wages paid	$5,128,690
Cost of materials	$128,473,059
Value of products	$154,895,991
Net value of products	$26,422,932

Rise in Demand for Products of Confectionery Industry

The products of the biscuit and confectionery industry into which the materials showing decreases in cost entered largely into their manufacture showed corresponding decreases in selling value; thus bread dropped on an average of ¼ cent per pound and biscuits 3/10 of a cent per pound. On the other hand, those products into which the materials entering their composition showed considerable increases in cost value, showed also an average increase in selling price as in the case of confectionery of all kinds where it amounted to 3.4 cents per pound with the preceding year. Following is a statement of the materials used:

Materials Used in Biscuit Industry

		Canada	
	Unit	Quantity	Cost
Flour	bbl.	306,547	$1,717,616
Malt	lb.	41,805	5,187
Yeast	lb.	94,779	26,792
Salt	bbl.	14,082	36,956
Sugar	lb.	65,510,963	6,144,372
Butter	lb.	1,395,188	513,223
Lard and Shortening	lb.	7,196,837	1,057,695
Cooking oils	lb.	848,955	120,279
Cream	gal.	814,591	1,122,364
Milk, fresh and skim	gal.	712,412	178,937
Milk, condensed	lb.	1,712,773	208,282
Milk, powdered	lb.	1,472,949	241,966
Eggs	doz.	639,652	187,965
Fruits	lb.	2,936,771	519,117
Extracts, essences, etc.		....	353,620
Nuts	lb.	5,000,200	1,053,828
Glucose	lb.	22,396,996	1,031,073
Syrups	gal.	212,418	111,951
Chicle	lb.	667,355	380,776
Chocolate	lb.	6,436,255	1,412,200
Cocoanut	lb.	1,766,354	292,132
Cocoa beans	lb.	4,965,677	604,271
Cocoa butter	lb.	3,723,137	1,029,960
Corn for popping	lb.	734,067	22,706
Boxes, cases, tins, labels, etc.		....	3,139,590
All other materials		....	2,447,019
Total cost		....	23,959,877

The following is a statement of the exports and imports of the biscuit and confectionery industry during 1923.

Foreign Trade in Confectionery

Articles imported	Total imports Quantity	Total imports Value
Biscuits, not sweetened	951,268	$107,842
Biscuits, sweetened	328,959	76,400
Confectionery, coated with chocolate	267,447	92,965
Sugar candy and confectionery	2,232,684	485,804
Total value of imports	......	763,011

Articles exported	Total exports Quantity	Total exports Value
Biscuits and bread	594,800	$ 81,033
Sugar candy	1,293,429	394,997
Confectionery, n.o.p.	......	70,453
Total value of imports	......	546,483

Predicts Prosperity for Pork Packers

NEW YORK.—Next year ought to be one of the best years the packing industry has ever had, in the opinion of E. A. Cudahy, president of Cudahy Packing Co.

"We ought to do a prosperous business for the next five years," he added, "as the pendulum has swung the other way from the difficult period which the packers experienced from 1919 to 1924 and we are now coming into own own. We are in a more liquid position than at any time since the war.

"This is being done by sharply reducing the amount of money tied up in inventories and using the remainder to reduce bank loans. Corn is low and is being fed to hogs to fatten them because the farmer can get more for his corn crop in the hog market than he can in the corn market. Heavier hogs will mean a better business for all the packing companies, who are now in a position to take advantage of it."

How Loading Platforms Are Operated in West

Considerable dissatisfaction spread among farmers concerning the operation of the elevators and a demand was made for the privilege of shipping grain direct in carload lots without the intervention of the elevators. This gave rise to a system of loading platforms, which railway companies are now compelled to provide at stations where there is sufficient demand. Under this method the farmer makes application for a car, which is placed at his disposal alongside the platform, and he is given a certain time in which to load it. His grain is then hauled on the platform and shovelled by hand into the car. The use of the platform, as may be readily understood, is restricted to those farmers living within easy reach of the station, and to those who have sufficient grain to make up a car lot.

For 40 Years Canadian Grocer has been Supreme in its Field

A view in the interior of a Canadian grocery store. Note how well this store is equipped with profit producing conveniences, such as meat slicer, cash register, display stands, glass fronted pivoted bins, wall cases, etc. Thousands of merchants such as the owner of this store comprise the circulation of Canadian Grocer. They sell more than two-thirds of the groceries sold in Canada.

70% of the groceries eaten in Canada are sold by Canadian Grocer readers

CANADIAN GROCER subscribers do more than 70% of the $400,000,000 turnover in straight groceries in Canada (exclusive of provisions, bacon, butter and eggs).

Canadian Grocer is the only weekly grocery trade paper in Canada. It is the only grocery paper with a coast to coast covering. It is the only Canadian grocery paper with a guaranteed circulation, subject to audit by the Audit Bureau of Circulations.

This standing gives it a prestige which inspires confidence in its readers. They think it good value at a $4.00 subscription price.

At no time was Canadian Grocer more influential than today, its advertising pages affording a valuable and economical medium to reach the really worth-while buyers.

To get your message to the progressive merchants of Canada through the columns of Canadian Grocer eliminates guesswork or over-lapping and is advertising at its highest point of effectiveness.

The co-operation of Canadian Grocer subscribers is absolutely necessary to secure distribution in any part of Canada. Their goodwill and influence will create wider opportunities for your product in an expanding market.

CANADIAN GROCER

Publication Office: 153 University Ave., Toronto Southam Bldg., Montreal Confederation Life Bldg., Winnipeg

They do their buying through the columns of Canadian Grocer

WHEN Ernest C. Jackson, Canadian Grocer's Montreal editor, was visiting the Kavanagh Provision Company, at Bleury and Ontario Streets, Montreal, the other day. T. K. Kavanagh, the proprietor, stated that he actually does all his buying from the advertising pages of Canadian Grocer. If he is in need of any product he goes through the issues, reading the different advertisements, then gets in touch with the various firms or their selling agents. "Canadian Grocer market reports also came in for a word of praise," said Mr. Jackson, in relating the incident. "A great deal of the Kavanagh trade is in outfitting the large liners; in that connection, Mr. Kavanagh told me that the current price in the Grocer plus an added percentage is always taken as the correct one, both by the shipping company representative and himself."

The Kavanagh Provision Company, with annual sales totalling more than a quarter of a million dollars, subscribes to two copies of Canadian Grocer. When the issue arrives, a definite reading schedule is followed by the clerks; each man taking a copy home in turn, and that night each week, he is supposed to study the contents. Mr. Kavanagh reserves one day for his own reading. He also finds that his children get a good deal of benefit from reading Canadian Grocer, especially those stories dealing with the figuring of profits.

ONE of the oldest retail grocers in Western Ontario is Peter Clark at Sarnia. The business was established in 1846 by his father and since 1889 the business has been under the management of Peter Clark, and it was about that year that Mr. Clark first commenced reading Canadian Grocer. "I take the paper home to read," Mr. Clark remarked a short time ago. "The market reports gives me an idea as to buying and have saved me many dollars in the past. I would feel lost without your paper."

"THAT was a mighty fine story you published on the wholesaler who is advertising to use the telephone in place of running to the store for goods. It was in the July 17 issue," remarked Roy Beaton, Oshawa, the other day. Mr. Beaton has been a subscriber to Canadian Grocer for quite a number of years and always reads every issue very closely. This shows that readers remember articles they have read in Canadian Grocer even after several months have elapsed.

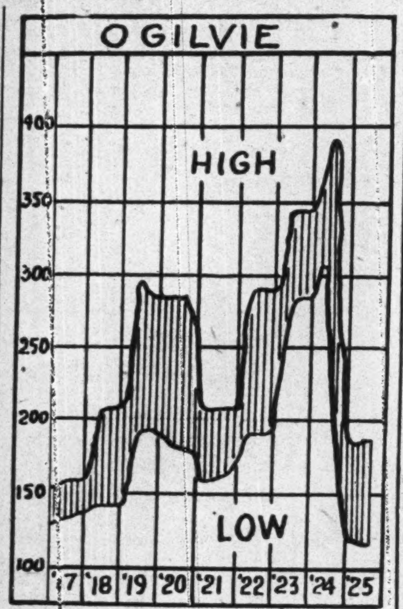
WRITING from Prince Edward Island, Hazen C. Baker, sales manager with Jenkins & Son, retail grocers, has subscribed for a copy of Canadian Grocer to go direct to his own address.

"Both Mr. Jenkins and I," he said, "like to read Canadian Grocer the first night it comes and to be able to do this it will be necessary for me to have a copy at home."

Hundreds of proofs of Canadian Grocer's high "reader interest" can be supplied, each one as striking as these.

Ogilvie Flour Mills Co.

A Name That Has Been Identified With the Industry in Canada for 123 Years—Large Outside Investments



The name Ogilvie has been identified with the progress of Canadian industry for 123 years, the original flour-milling business bearing this name dating back to 1801. The Ogilvie Flour Mills Company was incorporated in its present form in 1902. The mills have a daily production of 22,750 barrels of flour, rolled oats, and other cereals, the largest production of any Canadian company. It owns 9 terminal elevators and 172 elevators throughout the West with a storage capacity of 10,735,000 bushels of wheat, in addition to warehouses with a storage capacity of 450,000 barrels of flour.

The management for many years has enjoyed an exceptionally high rating, and for a number of years the executives have been re-investing in the business a considerable proportion of its annual profits. As a result, there has been a steady growth in the equities available for holders of the company's securities.

The shareholders in this, the leading Canadian flour milling enterprise, have fared exceptionally well with regard to dividend and bonus disbursements. Less than a year ago Ogilvie's shares were split in the ratio of 3 to 1, and the par value changed from $100 to no par value. The split up in the stock proved beneficial from the market viewpoint, and values have appreciated considerably since the date of the split.

The company owns 9 mills. The capacity and location of these mills is as follows:

Mills	Barrels per diem.
Royal mill, Montreal	8,000
Glenora mill, Montreal	3,000
Winnipeg mill, Winnipeg	3,000
Winnipeg—Corn, Rye and Barley	500
Ft. William mill, Ft. William	3,000
Corn products mill, Montreal	1,000
Oatmeal mill, Winnipeg	750
Medicine Hat mill	3,000
Edmonton mills	500

Ogilvie owns and operates two barrel factories; one in Montreal, with a capacity of 2,500 barrels per day, and one in Winnipeg, with a capacity of 500 barrels per day.

Bearing the name of the Tree Line Steamships, Limited, Ogilvie operates this subsidiary, which owns 11 steamers engaged in the grain trade. The ships have a carrying capacity of approximately 1,800 tons each. These ships are used to transport grain and coal from Port Colborne and Lake Erie ports to Montreal.

Ogilvie depends not only on its flour business for its revenues. It has a large revenue from outside investments, from its coarse grain operations, and also from its elevator operations, so that even in difficult markets for flour, the company is still able to earn, not only its fixed charges, bond interest and other requirements, but also a highly satisfactory rate on its common stock.

The balance sheet of Ogilvie is notable in many ways. First of all for the strong liquid position which it displays and which last year showed a liquid ratio of almost 5 to 1, with a working capital of $8,967,290. Then, again, the company's investments are shown amongst its assets at $8,016,170. This figure, it is understood, includes large holdings of Consolidated Mining and Smelting. At the last annual meeting, the vice-president said that these investments had not been written up on the balance sheet. When it is remembered that these "Smelter" holdings were purchased at under 30, the large increase in assets may be judged by a comparison with the present market for that stock. Yet none of this increase shows upon the balance sheet. Investors may take it for granted, then, that the total of this investment account is considerably in excess of the amount shown on the balance sheet.

Capitalization—

Pref. 7% cumulative	$2,000,000
Com. no par value shrs...	75,000

Funded Debt—

6 per cent. first mortgage due June 1, 1932, interest payable June 1, and December 1 in Montreal, $2,350,000.

Dividend Record—

Preference paid regularly.

Common paid regularly 12 per cent. per annum and frequently a bonus. This stock was placed on 10 per cent. basis on January 1, 1917. Bonus of 15 per cent. paid October 1, 1917; regular dividend increased to 12 per cent. January 1, 1918; bonus of 15 per cent. paid October 1, 1918 and October 1, 1919 and ten per cent. bonus paid October 1, 1920, 1922, and 1923, and 13 per cent. Oct. 1924. (Inc. 1924) $1.25 per share paid April and July 1925, Oct. $1.25 + 3.

Officers and Directors—

C. R. Hosmer, president; W. A. Black, vice-president and managing director; Sir Montagu Allan, Sir Herbert Holt, Charles Chaput, Sir Charles Gordon, S. T. Smith, R. R. Dobell, E. L. Pease, G. A. Morris, sec-treas., J. C. McLaughlin, asst.-sec.-treas.

Profit and Loss—	1924	1925
Net profits	$1,152,217	$ 758,145
Spec. deprec.	250,000	......
Balance	$ 902,217	$ 758,145
Dividends	765,000	721,250
Surplus	$ 137,217	$ 36,895
Prev. bal.	2,001,103	2,138,320
P. & L. bal.	$2,138,320	$2,175,215

Eight Years' Earnings—

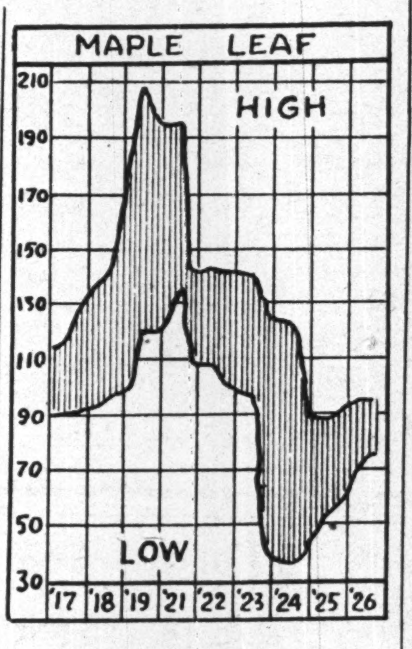
Year	Earnings	Dividends	Surplus
1918	$1,955,414	$815,000	$1,330,592
1919	1,632,516	815,000	1,244,516
1920	959,065	690,000	1,513,582
1921	636,303	440,000	1,709,885
1922	846,989	690,000	1,866,875
1923	824,227	690,000	2,001,103
1924	1,152,217	765,000	2,138,320
1925	758,145	721,250	2,175,215

Market Record—

	1923		1924		1925	
	H.	L.	H.	L.	H.	L.
Cm.	345	270	380	304	180½	135
Pf.	120	114½	122	116	127	120
Bds.	104	102	104½	101½	105	104
(B)	103¼	102½	104	102½	106½	104

Maple Leaf Milling

This Company is Successfully Linking Up With the Canadian Consuming Market Through Control of Big Baking Concerns



Maple Leaf Milling Company, in its last annual report, showed an increase in profits over the previous year, and in this respect it differed from the other big milling companies. This was chiefly because Maple Leaf was able to run throughout most of its fiscal year, which ended March 31 last, at full capacity because of the large order it has received from the Soviet government. Moreover, the fiscal year of the company ended five months before the fiscal year of the other companies, and for that reason Maple Leaf report covered less of the present period of price-cutting.

With nearly nine months of Maple Leaf's current fiscal year in the background, it should be possible, by a review of the conditions in the milling industry, during the present year, to make some forecast as to profits for 1925-6. As Maple Leaf has been affected by the same conditions that have affected all the mills in Canada, the outlook is that there will be no substantial change in earnings for the year.

Maple Leaf ran about one month of the present year at full blast, finishing up the last of the Russian order. Export trade then flattened and export trade is the largest part of the company's business. Keen competition amongst the British millers has developed into something like price war over there and has curtailed sales of the Canadian mills in that market. The European mills have reflected this condition and European business has not been good. In the Orient the milling business continues strong, and is likely to be especially good this year with wheat prices at a fairly low level.

The Oriental market for Canadian flour is now very large, and is bound to grow enormously. When wheat is selling at under $1.50 per bushel, it is possible for the Canadian mills to sell large quantities of flour in the Orient. The real competition is not so much with flour mills in the Orient or from flour mills in other countries of the world, but from the great natural food product of China, which is rice. Obviously there must be some sort of balance between the price of rice and the price of wheat, or, failing that, a favorable comparative price for wheat, if the mills are to sell wheat in large quantities. Under present conditions, flour is becoming decidedly attractive to Oriental people. To date they have not used wheat flour to any great extent, but, with the increase in wealth, the spread of education, and the consequent desire for better and more varied foodstuffs, China, Japan, India, and other Asiatic countries will buy millions of barrels of flour yearly, and Canada will supply a large part of this.

Domestic business has been good for Maple Leaf. Maple Leaf has the largest production of any Canadian flour mill organization, and, while it is not possible to confirm this also, it is believed that Maple Leaf has the largest domestic trade of any of the mills. It is well established in every province, both in the supply of flour to bakeries and to homes through wholesale and retail establishments.

In the bakery field, Maple Leaf has definitely lined up a very high proportion of the purchasing capacity through the acquisition of the control of two big bakery chains, Canada Bread Company and Canadian Bakeries. Canada Bread and Canadian Bakeries between them produce close to 145,000,000 loaves of bread a year. This is about one-third of the total production of bread in Canadian bakeries. All Canadian bakeries together use 3,000,000 barrels of flour annually. This would indicate that Maple Leaf has a definite bakery market for about 1,000,000 barrels of flour at the present time in the bakeries which it controls, in addition to its outside bakery trade. Maple Leaf is understood to be in the market for a further chain of bakeries, and it has been discussed that a chain of maritime province bakeries will be built up under the wing of Maple Leaf Co. If the company continues its apparent policy of acquiring interest in bakery chains, it is not inconceivable that it would sew up about half the bakery market for flour. At the present time, the 1,000,000 barrels of flour which it sells to Canada Bread and Canadian Bakeries, take about 15 per cent. of the total output of Maple Leaf Milling Co.

These investments in bakery chains have proven very profitable to Maple Leaf Milling.

Just what valuation has been put by the company on the investments is unknown, as the annual report does not show either the individual investments nor the investment income of the company as distinct from operating profit. One thing is certain; that between March 31, 1924, and March 31, 1925, the market valuation of the Canada Bread stock held increased from $818,000 to $1,560,000. Maple Leaf's investment income from Canada Bread stock is over $90,000 on the preferred alone, plus what it may receive on the common shares in time.

The Canadian Bakeries merger started off under very favorable auspices and is likely to prove an equally profitable investment for Maple Leaf Milling Company.

During the past few months there has been some discussion based upon a rumor that Maple Leaf Milling Company would establish a mill at Buffalo. There is no truth in this report, according to information received from very authoritative company sources. The rumor probably had its start in the circumstance that it would be economically justified for Maple Leaf Milling to establish itself at Port Colborne. At the present time, Canadian railway rates are such that the Canadian mills are discriminated against, and the elevators and mills at Buffalo have distinct advantages in export trade. Attempts have been made by the milling companies to have a basis of rates established that would be more favorable in their operations, but nothing has come of these.

Maple Leaf Milling officials have declared that Buffalo would be an excellent site for them to establish a mill, but it is learned that nothing of the kind is planned.

Capitalization—

Bonds 6½%, first mortgage, 20-year, due 1943, $1,950,000.

Dividend Record—

7 per cent. paid on preferred quarterly. On common first dividend of 3 per cent. was paid April 18, 1916; 2 per cent. July 18, October, 1916, and Jan. 18, 1917; 2½ per cent. April 18, and July 18, 1917; 2½ per cent. plus 1¼ per cent. Oct. 18, 1917; 10 per cent. in Victory Bonds, Dec. 20, 1917, 2½ per cent. Jan. 18, 1918; 2½ per cent. plus 1 per cent., April 18, July 18, Oct. 18, 10 per cent. in Victory Bonds, Dec. 18, 1918; 2½ per cent. plus 1 per cent. Jan. 18, April 18, 1919. Placed on 3 per cent. quarterly basis from 1st April, 1919. Reduced to 2 per cent. for quarter beginning April 1, 1922. Passed Oct. 1923, and since.

Officers and Directors—

James Stewart, president; C. W. Band, vice-pres.; Robert Cooper, W. L. Shaw, D. L. Cameron, E. R. Decary, H. J. Symington, D. A. Campbell, gen mgr.; J. A. Lehman, sec.

Profit and Loss—	1923-24	1924-25
Earnings	$ 3343,062	$ 520,60
Bal. forward	*1,627,548	1,641,44
	$1,961,610	$2,162,051
Interest	65,063	127,83
Pref. div.	205,110	205,110
Com. div.	50,000	......
Surplus	1,641,447	1,829,11
	$1,961,610	$2,162,051

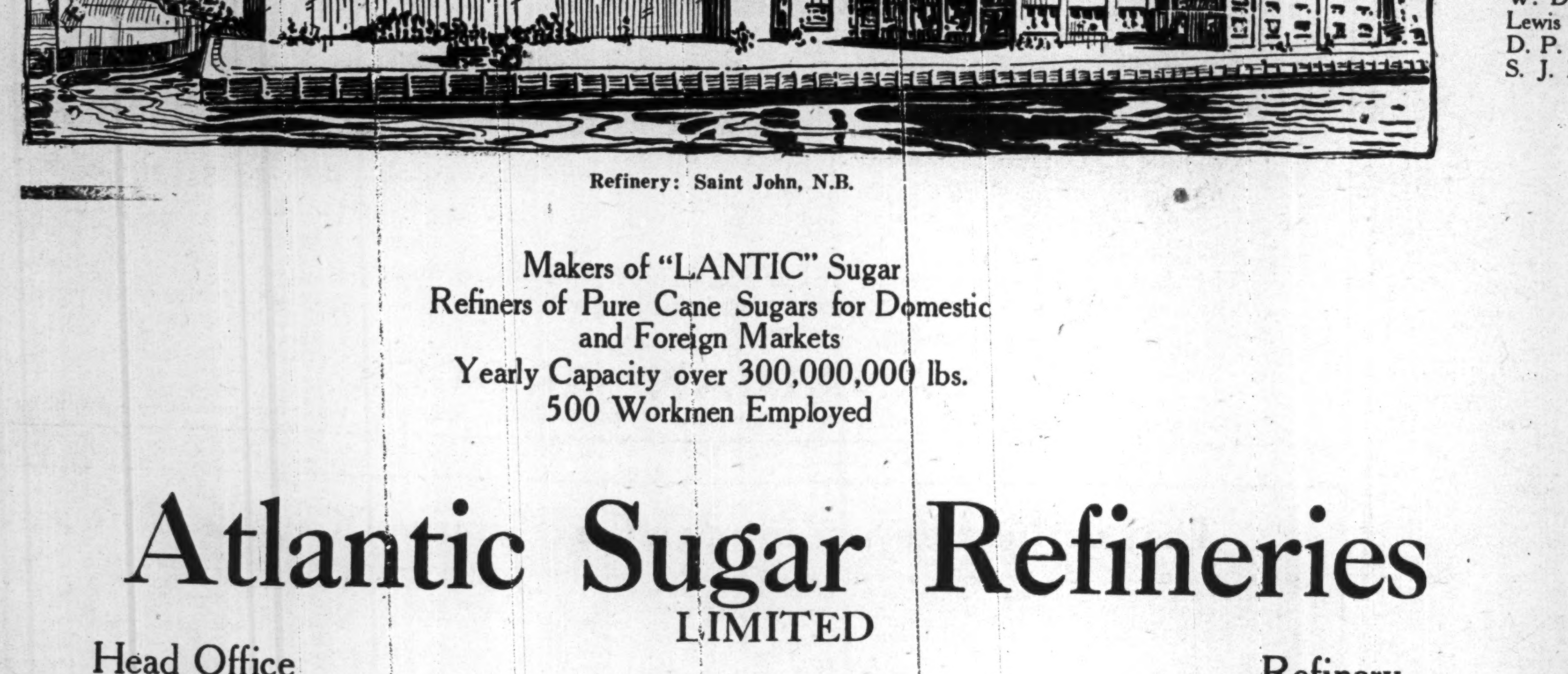
* Less Mile End Milling Co. deficit on amalgamation, $37,304.

Eight Years' Earnings—

Year	Earnings	Dividends	Surplus
1918	$1,021,267	$737,500	$1,572,509
1919	929,105	775,000	1,568,545
1920	917,409	490,050	1,853,675
1921	917,158	505,100	2,060,949
1922	543,146	505,100	1,834,111
1923	645,121	405,100	1,664,852
1924	334,062	255,100	1,641,447
1925	520,604	205,100	1,829,11

Market Record—

	1923		1924		1925	
	H	L	H	L	H	L
Com.	126	37	90	59	100	80
Pref.	102	64	100¼	87	104¾	96



Refinery: Saint John, N.B.

OFFICERS AND DIRECTORS

OFFICERS

President: L. J. Seidensticker
Chairman of the Board: D. Lorne McGibbon
Vice-Presidents: W. D. Ross, Sir Thomas Tait
Secretary: Stephen J. LeHuray
Treasurer: Mark J. Savage
Asst. Secretary-Treasurer: E. S. Johnston

DIRECTORS

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Hon. C. P. Beaubien, K.C.
J. B. Coombs
W. D. Ross
Lewis J. Seidensticker
D. P. Thomas
S. J. LeHuray
Wilfred A. Hobbins
Sir Thomas Tait
Hon. Wallace Nesbitt, K.C.
Murray E. Williams
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Makers of "LANTIC" Sugar
Refiners of Pure Cane Sugars for Domestic and Foreign Markets
Yearly Capacity over 300,000,000 lbs.
500 Workmen Employed

Atlantic Sugar Refineries
LIMITED

Head Office
Montreal

Refinery
Saint John, N.B.

Lantic Sugar

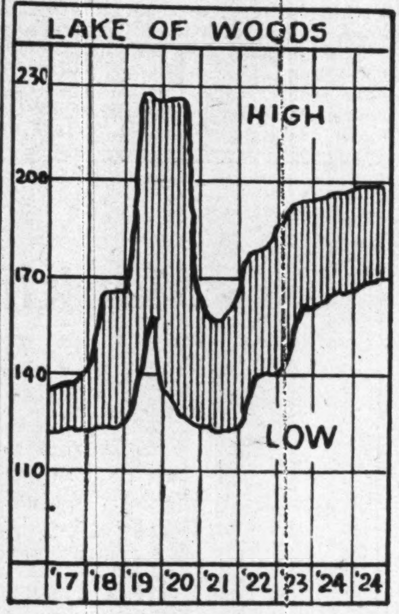
Lake of the Woods Milling

Plants Are Now Working on Satisfactory Basis and the Outlook is Much Improved for Future

The Lake of the Woods Milling Company owns and operates six mills situated between Montreal and the Rocky Mountains. They are as follows:

Mills	Capacity
Keewatin	5,000 barrels
Portage La Prairie	1,500 barrels
Medicine Hat	1,500 barrels
Montreal	6,000 barrels
Brantford	800 barrels

The last two mills are owned by a subsidiary, which is owned outright, the Dominion Flour Mills. The company owns and operates in addition, 125 grain elevators at various points throughout Manitoba, Saskatchewan and Alberta. During the last fiscal year, it experienced poor earnings, due to two causes: the enforced shutting down of its Keewatin mill and the general market conditions which lowered milling profits throughout the whole industry. The main cause of the poor results during the past year was the failure of the company's water power supply at Keewatin. The reason for this failure was the lowering of the level of the Lake of the Woods; this resulted in a decrease in output of over 50 per cent., with proportionate increase in the cost of manufacturing. New water wheels had to be installed in the mill and their erection took three months. During this time the mill was closed down.



The most important event for the company within the last year has been the acquisition of the Dominion Flour Mills which can load directly into vessels for ocean transport. The main plant of this company is situated in Montreal, and there is a small mill also at Brantford, Ontario. This company was purchased and is entirely controlled by the parent organization but is operated under its own name. The acquisition of this new property is significant, in that in the past, Lake of the Woods has had no production at all in eastern markets. In addition, the Dominion Flour Mills has done a considerable export business in the past and has built up a large goodwill overseas; its acquisition means that the Lake of the Woods for the future will be able to compete in eastern markets and in those overseas markets which are reached through the port of Montreal. The company plays a prominent role in the great natural industry of flour milling and despite last year's bad flour market and the company's mishap, its future prosperity is assured.

The book value of the company's stock dropped from $190 in 1924 to $177 at the end of the last fiscal year. This reduction corresponds in a surprising degree with the decline which occurred in the stock when the drop in the profits was announced this autumn.

At the end of the last fiscal year, the ratio of the company's combined surplus and reserve to outstanding capital was 58.7 per cent. as compared with 67.6 in 1924 and 66.6 in 1923, and less amounts in preceding years. The ratio of current to total assets was reduced but little last year, standing at 46.6 against 47.8 in 1923. The reduction in the working capital position is seen in the ratio figures of 29.0 in working capital to total assets, this comparing with 40.1 in 1924 and 39.7 in 1923 and 43.9 in 1922.

The investor, however, can gain no real criterion of the company's earning power by regarding the results for the past fiscal year. The company's plants are all once again operating satisfactorily and it is taking advantage of the better flour markets, and earnings are understood to be running at previous levels.

Capitalization—

	Authorized	Outstanding
Preferred	$1,500,000	$1,500,000
Common	4,000,000	3,500,000

Dividend Record—
Preferred, 7 per cent. cumulative, paid regularly each quarter. Common, 12 per cent. per annum. Paid 8 per cent. from 1911-1917, with 2 per cent. bonus in 1913. Paid 12 per cent. and 3 per cent. bonus in 1918; 12 per cent. in 1919; 12 per cent. in 1920, with bonus of 25 per cent.

Officers and Directors—
Brig.-Gen. F. S. Meighen, president and mang. dir.; W. W. Hutchinson, vice-president and gen. mgr.; W. R. Allan, R. N. Ballantyne, T. Bienvenu, G. V. Hastings, A. Kingman, R. W. Reford, J. K. L. Ross, Sir Lomer Gouin, K.C., W. Molson, T. F. McNally, treas.; M. H. Hutchinson, sec.

Profit and Loss—

	1924	1925
Profits	$ 740,767	$193,486
Deprec.	115,000	115,000
Balance	$ 625,757	$ 78,486
Bond. int.	......	......
Net profit	$ 625,757	$ 78,486
Pfd. divs.	105,000	105,000
Balance	$ 520,767	†$ 26,514
Com. divs.	420,000	420,000
Balance	$ 100,767	†$446,514
Written off	*50,000	......
Balance	$ 50,767	†$446,514
Prev. bal.	1,328,773	1,379,541
Surplus	$1,379,541	$933,027

* Provision for employees' retiring allowance.
† Debit.

Eight Years' Earnings—

Year	Earnings	Dividends	Surplus
1918	$587,914	$357,000	$ 978,797
1919	756,616	399,000	982,414
1920	732,232	399,000	1,161,647
1921	762,073	525,000	1,262,867
1922	713,087	525,000	1,278,455
1923	732,318	525,000	1,328,773
1924	740,767	525,000	1,379,541
1925	193,486	525,000	933,027

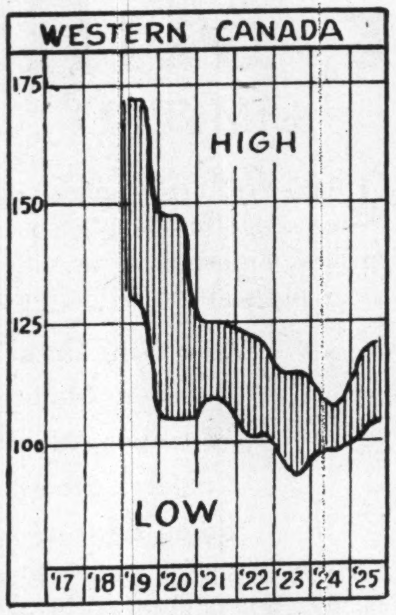
Market Record—

	1923		1924		1925	
	H	L	H	L	H	L
Com.	184½	160	188	167	193	169
Pref.	119	113	121	115½	125½	115

Western Canada Flour

Profits Have Dropped in Accord With General Rule in Milling Field, But Position Essentially Sound

The Western Canada Flour Mills Company is the result of a consolidation of a group of well-established mills in strategic centres of the Dominion. The company was incorporated in 1905 in Ontario. It involved, at first, a consolidation of the lake Huron and Manitoba Milling Co., of Goderich, and the Kelly Milling Co., of Brandon. Large mills were later built at Winnipeg, Calgary and Edmonton. As a result of a long period of steady development and expansion, the company now has an aggregate productive capacity of 10,000 barrels of flour and 1,000 barrels of rolled oats and oatmeal per day.



Western Canada Flour Mills have 100 country elevators, with a storage capacity of 2,800,000 bushels, and terminal elevators at the different mills with a storage capacity of 2,000,000 bushels, making a total of 4,800,000 bushels. Large warehouses also are maintained at the most important strategic milling centres of the country.

Earnings of Western Canada Milling have made an enviable record over a period of years. After making provision for reserves, the profits of the Western Canada Flour Mills Company for the past year amounted to $319,032, which is a decrease of $22,836, from last year's figure. After bond interest amounting to $54,294, there remained $264,738, and this amount along with the balance brought forward from the previous year left $812,981 for distribution. After allowing for the payment of $230,000 in dividends, there was $582,981 carried forward to the new account.

It will be noted from the above exposition of the position of the company that the situation is rather less favorable than at this time last year. Comparison with the statements of most of the other milling companies, however, shows the position of Western Canada to be not so unfavorable as might be thought without taking into account certain factors operative in the milling field. Some of these are the fluctuations in wheat prices, the unfavorable freight rate situation, and keen competition from United States rivals who are working under much better conditions. It cannot be gainsaid that the Canadian milling industry has been and still is passing through a difficult period—a period which is taking a heavy toll in profits.

Notwithstanding these difficulties, the position of Western Canada is inherently strong, and contains better promise for the coming year. This, at least, seems to have been the tenor of the annual report as presented to the shareholders by President D. B. Hanna. The capital assets of the company, which now amount to $4,047,071, show an increase of $1,215,037 on account of the fact that the figures of the assets of subsidiary companies have been incorporated in the general balance sheet for the first time. Current assets of the whole organization, as a result, stand at $2,409,556, which is an increase of $86,234. Accounts and bills receivable increased by $213,953 to $525,804. Inventories of supplies including grain fell to $131,721 to $1,751,997, while cash on hand and in bank dropped $14,584 to $63,573.

Liquid Position Better

At the close of the year the working capital of the company amounted to $1,652,828 against $888,549 last year, and $985.081 the year before. Accounts payable dropped from $1,348,462 to $673,188. Inventories also dropped marginally, while receivables increased by about $200,000. Follow is a statement of the financial position of Western Canada, at the close of the company's fiscal year:

Capitalization—

	Authorized	Outstanding
Common	$5,000,000	$2,875,000

Funded Debt—
First mortage, 20 years, sinking fund due, March, 1928, $551,875. First and refunding mortgage, 20 yr. bonds, 6 per cent., $407,378, due Sept., 1931.

Dividend Record—
8 per cent., payable quarterly, 2 per cent. extra paid 1918-19-20. In 1918 and 1919, 10 per cent. Victory bond dividends were paid and 1920, 15 per cent. stock dividend.

Officers and Directors—
Andrew Kelly, D. B. Hanna, president, Jos. Wright, A. J. Mitchell, vice-pres., Sir John Aird, Noel Marshall, R. G. O. Thomson, sec., Senator G. H. Barnard and Major R. H. B. Ker, John Davidson, J. J. Page, gen. mgr., R. A. Pridham, treas.

Profit and Loss—

	1923	1924
Net profits	$309,141	$341,868
Bond interest	64,688	59,660
	244,453	282,208
Bal. forward	219,668	234,121
	464,121	516,329
Dividends	230,000	230,000
Surplus	234,121	286,329
	$464,121	$516,329

Seven Years' Earnings—

Year	Earnings	Dividends	Surplus
1918	$543,844	$229,702	$858,434
1919	437,986	250,000	712,865
1920	414,724	250,000	548,335
1921	325,970	222,500	202,103
1922	318,125	230,000	219,668
1923	309,141	230,000	234,121
1924	341,868	230,000	286,329

Market Record—

	1923		1924		1925	
	H	L	H	L	H	L
Stock	115	93	107	98	120	104½

International Milling

Well Managed Company With Plants on Both Sides of International Line is in Favorable Position

Since the public offering in Canada in April, 1923, of $1,094,900 of the $2,220,000 first preferred issue of the International Milling Company, there has been a much wider Canadian interest in the affairs of this progressive, well managed Western milling company, with plants on both sides of the international boundary. The last annual report for the year ending August 31 was a very satisfactory one, in view of the difficult conditions which have prevailed in the milling industry. The net income for the year of $790,796 compared with $703,695 in the previous year and $405,255 in the year ending in 1923. This fact that the company has plants both in Canada and the United States is a factor which insures reasonably consistent profits, because experience in the milling industry indicates that when conditions are unsatisfactory in one country they may be materially different in the other.

The present International Milling Co. was incorporated in March, 1923, in Deleware, successor to a company of the same name which was incorporated in 1910 in Minnesota and which had acquired the assets and business of the Saskatchewan Flour Mills Co., of Moose Jaw, and New Prague Flour Milling Co., of Minnesota, and the latter's constituent companies, Blue Earth City Mill Co., Wells Flour Milling Co., and Western Flour Mill Co. Prior to that in 1912 the company had acquired the assets of the Calgary Milling Co., including mill and terminal elevator at Calgary, distributing warehouse at Vancouver and country elevators. The Canadian business is conducted under the name of Robin Hood Mills, Ltd. The company's mills are located at Moose Jaw, Calgary, Davenport, Sioux City, New Prague, and other points in Minnesota. The combined mill capacity is 12,000 barrels of flour and 1,800 barrels of cereals per day, and the elevator capacity 5,000,000 bushels.

All of the 50,000 common shares and $1,105,100 of the $2,200,000 of first preferred stock were issued to the Minnesota company for its property and assets. The balance of the outstanding preferred stock was issued to repay the company for capital expenditures, for increasing its working capital and for general purposes. The preferred stock is subject to redemption at any time on sixty days' notice at 110 per share. No mortgage, lien or other encumbrance may be placed upon the property of the company without the consent of the preferred stockholders. The last statement of the company indicated that it was well provided with working capital, such funds having been increased by something over $241,000 during the previous year from $2,748,687 to $2,990,332. The company's balance sheet showed total assets of $9,678,410, of which $1,013,345 was cash, $1,514,875 inventories, $1,109,955 accounts receivable, and $5,767,550 real estate, buildings, machinery, equipment, etc.

Capitalization—

	Authorized	Outstdg.
Common .. .	50,000 shs.	50,000 shs.
(No par value.)		
Pref. 1st. 7% ..	$5,000,000	$2,200,000
(Par value $100.)		

Funded Debt—

First mortgage sinking fund 6% bonds due 1930	1,500,000	518,500

Dividend Record—
First preferred 7% per annum, payable quarterly. On new no par common $4.60 per share was paid Dec. 1923.

Officers and Directors—
F. A. Beau, pres.; F. A. Beau, Jr., vice-pres.; W. L. Harvey, sec.-treas.; H. F. Marsh, J. R. Morris, F. V. Spofford, J. J. Kovarik, A. E. Ames.

Profit and Loss—

	1924	1925
Net income	$ 703,695	$ 790,797
Bond interest	32,209	30,940
Pref. dividend	154,000	158,851
Com. dividend	230,000	287,500
Surplus	287,486	313,506
Prev. balance	2,146,924	2,434,410
	$2,434,410	$2,947,916

Christie Biscuits

Re-organization Has Resulted in Increase in Production—Stock Fairly Active

The reorganized Christie Biscuit Company has had a good year. A more aggressive sales campaign has resulted in a material increase in sales. No announcement has been made as yet of the contemplated move to establish a couple of plants in the United States. This has been under advisement for some time now.

The biscuit industry in Canada has enjoyed a very good year, and the Christie firm has come in for its shares of the business. Costs are down.

Christie shares made their appearance on the market last May. The preferred shares proved to be rather scarce and few sales were recorded. The common has been traded in more or less at steadily rising prices. The opening sale was at 31¼ and the first week in November it sold at 64¼, later easing to 62½, or just double the opening sale price.

Capitalization—

	Authorized	Outstanding
Common ..	105,000 shs.	75,000 shs.
(Without nominal or par value.)		
Pref. cum. 7%	$1,000,000	$1,000,000
(Par value $100.)		

Funded Debt—

First mortgage 6% bonds, due 1935	$1,000,000	$1,000,000

Dividend Record—
Preferred 7% per annum, payable quarterly, Feb., May, August, and Nov.

Officers and Directors—
R. J. Christie, president; C. E. Edmonds, sec.-treas.; Reuben Harvey, F. K. Morrow, G. K. Morrow, Robt. Mallary, Jr., Rodney Hitt.

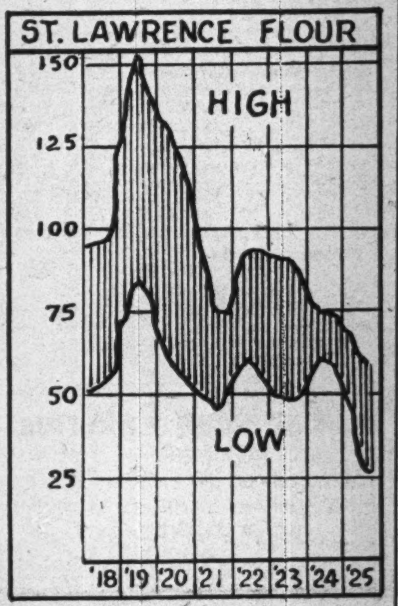
MARKET RECORD—

	1925	
	H.	L.
Com.	64¼	31¼
Pref.	118	109½

St. Lawrence Flour

Company Now Suffering from Too generous Dividend Policy in Past

The St. Lawrence Flour Mills Company owns a mill and the necessary elevators, warehouse, and other buildings, situated on the banks of the Lachine Canal in Montreal. Earlier this year it passed its common dividends. which, while in the main due to the poor market for flour, yet is evidence that the company is suffering from its too generous dividend policy in the past. An ambitious rate was established a few years ago, which could not be maintained, and eventually had to be wiped out. These past disbursements have reduced the company's surplus. It is now necessary for shareholders to be patient and await the return of better conditions; past experience is likely to lead to much more conservative action in the future as regards the disbursements to the shareholders. The company's earnings are entirely dependent upon the actual flour milling business.



The larger Canadian concerns are better able to withstand a period of unfavorable conditions through their established elevator chains and earnings obtained in other branches of the grain trade, such as the business in coarse grain.

The possibilities of the company may be judged from the fact that earnings for the three years previous to the last have averaged about three times the amount required for the preferred shares.

In the meantime, there is much speculation about the company, for it is said that control recently changed hands. Some confirmation of this is obtained from the fact that the general manager of the company recently became its president, whilst the president took over the office of vice-president and general manager. Again, indications all point to the fact that some big milling concern is dickering for control or sale of the property. Western Canada Flour Mills has been freely mentioned in this connection. This is a reasonable conjecture, for the latter company has no mills situated in the province of Quebec. All this is borne out by the recent strength of the stock on the market.

The company has a large goodwill account amongst its assets. This was reduced at the last annual meeting, but it was only reduced through writing up the company's assets under the head of "plant" by a similar amount—really nothing more than a bookkeeping entry.

Capitalization—

	Authorized	Outstanding
Preferred 7% cum.	$ 600,000	$ 575,000
Common	1,200,000	1,200,000

Funded Debt—
First mortgage 6 per cent. bonds due July 1, 1941, callable at 110 after July 1, 1931, $92,415.

Dividend Record—
Prefered, paid regularly, 1st Feb., May, August and November. Common initial dividend of 1¼ per cent. paid Nov. 1917. From May 1918 to Nov. 1924, 6 per cent. per annum. Reduced to 4 per cent. Jan., 1925, passed for quarter April, 1925, and since. Bonus of 4 per cent.—at 1 per cent. per quarter—paid in 1918 and 1919; 10% paid in Jan. 1920; 1% paid quarterly 1920, and Feb. 1, 1921.

Officers and Directors—
Gen. A. E. Labelle, president; T. Williamson, vice-pres. and man. dir.; Geo. W. Grier, C. J. Fleet, K. C.; Joseph Quintal, A. E. Gagnon, sec.; D. S. Thornton, treas.

Profit and Loss—

	1923-24	1924-25
Profits	$145,900	(a)$ 98,300
Bond int.	5,790	5,608
Net income	$140,110	(d)$103,908
Pfd. divds.	40,250	40,250
xBalance	$ 99,860	(d)$144,158
.Com. divds.	72,000	30,000
Year's sur........	$ 27,860	(d)$174,158
Prev. sur.........	369,873	417,392
Total sur.	$424,733	$243,234
‡Taxes	7,341	13,117
Balance	$417,392	$230,117
Depn.		66,620
P. & L. Sur.......	$417,392	$163,497

(a) Operating loss.
(d) Deficit.
‡For preceding year.
xBefore deducting excess profits, taxes paid in succeeding years.

Eight Years' Earnings—

Year	Earnings	Dividends	Surplus
1917-18	$268,737	$160,250	$251,154
1918-19 . ..	245,594	160,250	322,263
1919-20 . ..	215,077	160,250	397,829
1920-21 . . .	147,801	136,250	382,279
1921-22	169,365	112,250	417,132
1922-23. . ..	110,883	112,250	396,873
1923-24. . .	145,900	112,250	417,392
1924-25 . (a)	98,300	70,250	163,497

Market Record—

	1923		1924		1925	
	H.	L.	H.	L.	H.	L.
Com.	82	49	75	65	65	27
Pref.	100	90	95	89	82	78¼

J.A.G. Clarke & Co.
Government, Municipal and Corporation Bonds.

Offer $500,000

Arnold Brothers, Limited
(Ontario Charter)
7% Cumulative Sinking Fund Prior Preferred Stock

Price: $100 per Share and Accrued Dividend
with bonus of ½ share of no par value Common Stock

THE HIGHEST RETURNS CONSISTENT WITH SAFETY are to be found in the securities of tried and successful companies at the time they decide upon a soundly conceived program of expansion.

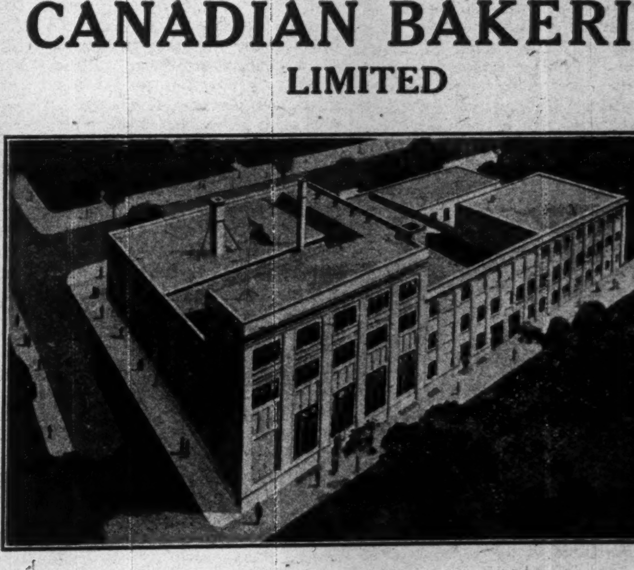
Arnold Brothers, Limited, is such a company, as, due to their very substantial growth, this company, during 1925 and early in 1926, will increase the number of their markets in the city of Toronto from five to fifteen.

We will be happy to furnish further information or to mail prospectus upon request.

Orders may be telephoned or telegraphed at our expense.

Telephone Adelaide 5184 330 Bay St., Toronto 12

CANADIAN BAKERIES
LIMITED



Bird's Eye View of Vancouver Plant

CANADIAN BAKERIES, LIMITED, is one of the largest distributors of bakery products in the Dominion. The Company operates 10 plants which are located at Vancouver, New Westminster, Victoria and Nanaimo, B.C.; at Calgary and Lethbridge, Alberta; and at Moose Jaw and Regina, Saskatchewan.

The plants of the Company have a combined weekly capacity of 1,400,000 loaves of bread, in addition to their capacity for the production of other bakery products. These plants serve not only the above cities, but a wide and growing tributary territory in the three Provinces.

DIRECTORS:

JAMES STEWART, Winnipeg, President
President, Maple Leaf Milling Co., Limited.

W. C. SHELLY, Vancouver, B.C., Vice-Pres. and Gen. Mgr.; President, Shelly Bros., Ltd.

FRED W. RIDDELL, Regina, Sask., Gen. Mgr., Sask. Co-operative Elevator Company, Ltd.

O. J. MAYHEW, Calgary, Alta., Director, Shelly's Bakery, Ltd.

D. L. CAMERON, Vancouver, B.C. Director, Maple Leaf Milling Co., Ltd.

E. R. DECARY, Montreal, Que., Vice-Pres., The Title Guar. & Trust Corp. of Can.

H. A. ROSS, Victoria, B.C., Manager, Western Offices, A. E. Ames & Co., Limited.

Canada Bread Company

Has Experienced a Steady Growth in Activities and Profits and This is Reflected in Splendid Record Made by Securities

Canada Bread is a leader among those Canadian organizations which rose upon the tide of development, in a new country, along certain specific lines. In this instance the new development was the fact of baking as an industry superseding home production. It was not long before the economies and advantages of "plant" baking established the fact that the industry had come to stay. There were obvious advantages in buying, in obtaining and using formulae and in marketing. Canada Bread was formed in 1910 and was one of the first of the bakery chains on the continent. Soon the advantages of larger scale amalgamation suggested themselves, hence the gigantic movement which culminated in the launching of such organizations as the Continental Baking Company and the General Baking Corporation in the States, and the Northern Bakeries, and Canadian Bakeries in Canada.

The outstanding feature of the development, as suggested, has been concentration and centralization. Concentration of production has made possible a standard product which is an essential of modern baking. Formerly the variation of heat and other factors produced quite different results, even with the same formulae. To-day research departments are at work in the big organizations, perfecting formulae, as well as standardizing methods and conditions under which the baking is carried on. Furthermore, centralized control and management make for many economies, and generally greater efficiency. Canada has to-day two large chain bakery systems, and a third is being developed. The Canada Bread Company along with Canadian Bakeries and Northern Bakeries produce something like 200,000,000 loaves per annum.

Improved Machinery

The ability to produce and adapt perfected machinery has made for the success of the concentration movement. Large traveling ovens now bake some 7,000 loaves of bread each hour, while the old type stationary oven baked about 360 loaves per hour. Fleets of trucks deliver the freshly-made bread from strategically located areas to widen the range of distribution. The loaves are now baked, wrapped and packed without being touched by human hands. There is, therefore, a saving of labor costs and a general saving in overhead.

It is for all these reasons that the stock of Canada Bread has created so much interest on the market. This stock, in fact, has been the only representative, to date, of the baking industry, limiting the baking industry to those firms only which are engaged in the baking of bread. During the period since its formation, Canada Bread took in the following bakeries: The Bredin Company, Toronto; George Weston,, Toronto; H. C. Tomlin, Toronto; Stuart's, Montreal; W. J. Boyd, Winnipeg, and other smaller bakeries in many Canadian cities.

Profits Grew Steadily

The profits of the Canada Bread Co. have steadily expanded and reached a high point with the year that closed June 30 last, when they totalled $722,237. This improvement has been reflected in an upward movement in the securities of the company, especially during the past five years. The highest reached in 1921 by Canada Bread common was 29. During the present year the common was split into two shares, one of class B preferred and the other of a no-par common. The value of these has increased very materially. A statement just prepared covering the twelve months ending June last shows substantial improvement over the figures of the previous year. Revenue after bond interest amounted to $722,237, as against $606,597 for the previous year.

Following is a statement of the balance sheet of the company:

Capitalization—

	Authorized	Outstanding
Common .. (No par value).	25,000 shs.	25,000 shs.
Pf. 1st non-cum.	$1,250,000	$1,250,000
Pf. B. non-cum...	2,500,000	2,500,000

Funded Debt—

Bonds 6 per cent. first mortgage sinking fund gold bonds, due Aug. 1, 1941, outstanding $1,064,400

Dividend Record—

Preferred dividends have been paid regularly, 1¾ per cent. quarterly. Common, 2% was paid Jan. 1917; special dividend of 4% paid April 1924; first regular dividend of 1% paid July, 1924. A stock dividend of one share "without par value" for every share of common held ($100 par value) was paid July 6, 1925, upon surrender for exchange of old certificates.

Officers and Directors—

Mark Bredin, president and general manager; D. O. Ellis, Alfred Johnston, W. T. Bredin, vice-president; A. A. Ryley; E. W. McNeil, secretary.

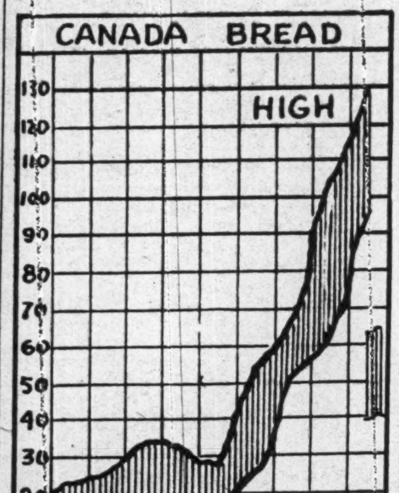
The income account over a period of years was as follows:

Income Account (Years Ended June 30)

	Total Income	Bond Interest	Pfd. Divids	Com. Divds	Res. for Depression	Other Reserves	Surplus For Yr.
1915	298,725	72,235	87,500	.....	*60,000	†40,700	38,290
1916	234,351	71,821	87,500	.....	50,000	†12,500	12,530
1917	262,812	71,028	87,500	.....	50,000	†12,522	41,762
1918	263,706	68,938	87,500	50,000	37,500	x14,000	5,768
1919	196,152	67,989	87,500	.....	50,000	950	(d) 10,287
1920	310,119	67,200	87,500	.....	50,000	**36,543	68,876
1921	‡325,075	.....	87,500	.....	60,000	**27,787	149,789
1922	‡413,814	.....	87,500	.....	115,000	**54,740	156,574
1923	‡585,819	.....	87,500	.....	126,000	**139,279	233,040

*Including $10,000 patent rights, etc., written off. †Reserve for bond redemption. xOf which $12,500 was reserved for bond redemption and $1,500 was patriotic and war donations. **Of which $12,500 was reserved for bond redemption, $10,214 for depreciation on war bonds and $13,829 for 1918 profits tax in 1920; $12,500 for bond redemption and $15,287 for income tax (1919 to 1920) in 1921; $12,500 for bond purchases and $42,240 for income tax (1919 to 1921) in 1922; and $12,500 for bond purchases; $26,779 for income tax and $100,000 for contingency reserve in 1912. ‡After deducting bond interest, not separately reported.

	1923	1922	1921	1920	1919
Times interest earned	....	....	....	$ 3.87	$2.15
Earnings per share—Preferred.............	$25.64	$19.53	$18.98	12.51	6.18
Common	9.32	6.66	5.99	2.75	Nil



Profit and Loss—

	1924	1925
Manufact. prof. ...	$606,598	$722,237
Int. earned	20,791	13,757
Total revenue	$627,389	$735,994
Depreciation	167,929	195,829
Bond purchases ...	12,500	12,500
Income tax	48,053	47,499
Pref. divids.	87,500	87,500
Com. divids.	100,000	125,000
Stock div.	......	25,000
Surplus	$211,407	$242,666
Bal. forward	711,696	923,103
	$923,103	$1,165,769

Eight Years' Earnings—

Year	Earnings	Dividends	Surplus
1918	$205,771	$137,500	$153,522
1919	176,208	87,500	103,418
1920	293,881	87,500	172,295
1921	307,122	87,500	322,370
1922	398,955	87,500	487,657
1923	563,618	87,500	711,696
1924	606,598	187,500	923,103
1925	722,237	237,500	1,165,769

Market Record—

	1923		1924		1925	
	H	L	H	L	H	L
Com.	66¾	52	105	63	63¾	39¾
Pf. B	..	..	...	..	96	85¾
Bonds	100	96	102½	98¾	104	102
Pf. 1st	95	90	104	95	107½	100

Canadian Bakeries

Merger of Western Bakeries Facilitates Economies in Buying and in Production

Canadian Bakeries Ltd., is a 1925 product constituted by a merger of a strong group of five well-established and successful manufacturing bakeries situated in the largest cities between Regina and Victoria. The five units have a combined weekly capacity of 1,400,000 loaves of bread and have an actual production of more than 650,000 a week.

The new bakery merger is in line with the general movement towards concentration discussed elsewhere. Vast economies are made possible, not only in buying but in productive process as well. The ordinary advantages of mass production and the especial facilities for research, add much to the possibilities in a line where the consumption demand is a constantly increasing factor. The decline of home baking, owing to its inability to compete with the large scale manufacturing, from any angle that may be considered, adds to the possibilities of the new industry. The scientific processes which result from thorough and painstaking analyses by experts, make home baking highly uneconomic.

The assets of the Canadian Bakeries comprise fixed assets in real estate, plant, machinery, etc., appraised by the Canadian Appraisal Co. at $1,964,055. Net current assets amounting to $235,000 are also held, bringing the total up to $2,199,055. The capitalization consists of $800,000 in first mortgage 20 year 6½ per cent. sinking fund gold bonds, 7 per cent. first cumulative, sinking fund preferred stock to a total of $1,000,000, and 7 per cent. second cumulative preferred stock to a total of $1,000,000. There is also an issue of common stock without nominal or par value and a similar issue of non-voting, class B shares, without par value for conversion to second preferred stock on the basis of two shares of class B for one share preferred.

Following is a statement of the capitalization in detail along with the funded debt and dividend status of the company:

Capitalization—

	Authorized	Outstanding
Stock "A" ..	20,000 shs.	20,000 shs.
Stock "B" ..	20,000 shs.	
(No par value.)		
1st. Pref.	$1,000,000	$1,000,000
2nd. Pref.	1,000,000	1,000,000
(Shares $100 each.)		

Funded Debt—

First mortgage sinking fund bonds, 6½%. due 1945, $800,000.

Dividend Record—

1st and 2nd preferred, 7% per annum, payable quarterly, March, June, Sept., and Dec.

Officers and Directors—

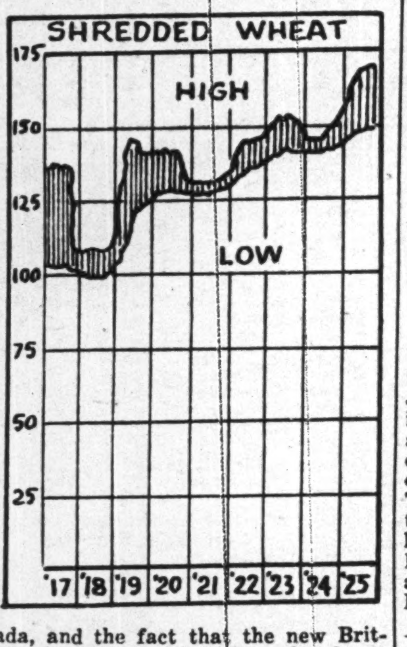
James Stewart, president; W. C. Shelly, gen. mgr.; F. W. Riddell, O. J. Mayhew, D. L. Cameron, E. R. Decary, H. A. Ross.

Shredded Wheat

Better Outlook in View of Growing Trade in Britain and Europe

The Shredded Wheat Company, incorporated in the State of New York, with plants at Niagara Falls, New York, and Niagara Falls, Canada, controls the Canadian Shredded Wheat Co., Pacific Coast Shredded Wheat Co., Shredded Wheat Company, London, and the Natural Food Co. The shares of the company are listed on the Toronto Stock Exchange and the company has had a splendid record of growth and earnings during the twenty-five years of its life. The additional plants which have been built have been financed entirely out of earnings. The annual average earnings on the common stock outstanding during the past decade have been approximately 12.8 per cent.

Healthy improvement in the company's affairs recently is indicated by the action of the stock market when the shares recently sold up to 167, or nearly 20 points above the low point for the year. Improved business conditions in the United States and Canada, and the fact that the new British plant has now been completed, are mentioned as factors favorable to the immediate outlook. Development work has been carried on in an extensive way in the European market as well as in the United Kingdom. The British and European business is expected to insure material earnings for the British company.



	Authorized	Outstanding
Common	$10,000,000	$10,000,000

Dividend Record—

Common was increased from 6 to 8 per cent. Jan., 1918, increased to 10 per cent. Jan. 1925. Paid bonus 1 per cent. in 1916; 2 per cent. 1917, 1922, 1923 and 1924.

Officers and Directors—

Alex. J. Porter, president; Jos. Henderson, O. L. Mills, G. A. Mitchell, vice-pres., R. W. Pomeroy, de Lancey Rankine, P. A. Schoelkopf, C. M. Smith, P. T. Dodge, F. L. Morin, sec., C. H. Brown, Jr., treas.

Profit and Loss—

	1923	1924
Gross income ..	$1,740,626	$1,891,226
Depreciation	172,932	176,950
Res. for taxes..	290,705	297,635
Net income	$1,276,989	$1,416,641
Bal. forward ..	1,755,403	1,470,383
	$3,032,392	$2,887,024
Dividends	1,000,176	1,000,000
Goodwill	500,000	......
Tax reserve	70,000	......
Adv. reserve ..	.....	34,416
	$1,462,216	$1,852,608

Eight Years' Earnings—

Year	Gross Earnings	Dividends	Surplus
1917	$1,249,981	$775,000	$ 614,938
1918	1,439,828	775,000	766,724
1919	2,005,637	775,000	1,370,174
1920	1,094,533	775,000	1,450,762
1921	2,298,063	862,500	2,181,845
1922	2,088,441	950,000	1,755,403
1923	1,740,626	1,000,176	1,462,216
1924	1,891,226	1,000,000	1,852,608

Market Record—

	1923		1924		1925	
	H	L	H	L	H	L
Com.	154	141	140	135	168⅝	148

Canada Flour

Canada Flour Mills Company. Ltd., operates a flour and corn meal mill in Chatham, Ont. The business was originally founded in 1880, and has been in continuous operation for over forty years.

Capitalization—

	Authorized	Outstanding
Common	$150,000	$150,000
($10 par value.)		
Pref. cum. 8%	250,000	250,000

Funded Debt—

First mortgage sinking fund bonds. 6½%. due 1942, $150,000.

Officers—

E. W. Hardy, president, A. W. Filis, secretary.

BIG EXPORTS OF CATTLE

SAINT JOHN.—This year's cattle shipments to Great Britain from Canada will considerably exceed 100,000 head, while the British demand is at present easing off somewhat, the total shipments for 1925 will be a record, the monthly average being well over 10,000. The total value of the cattle exported from Canada to Great Britain will, it is estimated, be about $12,000,000 for 1925.

Copeland Flour

Increased Volume Promises to Widen Narrow Earnings of Recent Years

The affairs of the Copeland Flour Mills have been subject to the same unfavorable factors and working conditions as have most of the other large flour mills, and this firm has had its own problems as well. The keen competition for business during the past three years has made it necessary to scale down profits very closely, and this is shown in the profits record of the company.

The Copeland Flour Mills, Limited, was established in 1920 for the manufacture of high-grade flour and a variety of feeds. The initial capacity is 1,200 barrels per day of flour, with about 35 tons of feed offal from the flour mill, and about 100 tons of feed from the feed mill. In addition to the Midland plant, the company owns a reinforced storage elevator at Sudbury. Midland is strategically situated as a flour milling centre, and there is no reason why the business, which is ably managed, should not make a good account of itself as the general conditions of the milling industry improve. An analysis of the financial reports of the company shows the marketing costs to be high, but this should adjust itself with increased production. The volume of business done during the past year warrants the belief that the company's outlook is much more favorable than it has been during the past two or three years. Following is a statement of the capitalization of the company:

Capitalization—

	Authorized	Outstdg.
Common	$1,000,000	$800,000
Pref. 8%	1,000,000	700,000
(Par value $100).		

Funded Debt—

None.

Directors—

A. E. Copeland, James Playfair, R. J. Megaw.

Pure Gold

Considerable Investment Interest in This Manufacturing Grocery Concern

The business of the Pure Gold Manufacturing Co., founded by Alexander Jardine in 1877, to manufacture baking powder, flavoring extracts, spices and grocery sundries, was incorporated in 1898 under the Ontario Act, and on Mr. Jardine's death in 1899, Thomas B. Greening, the president of the present company, was elected. In later years the business of Todd, Hunter, Mitchell & C.o, was absorbed, and the business of A. P. Torrens, of Halifax, purchased and a branch established. In 1921 the firm of Thomas B. Greening & Co., coffee importers, was consolidated with the other companies.

The Pure Gold Co. has maintained an unbroken dividend record since 1901, with the exception of the war years 1915 to 1919, when the directors wished to conserve resources. Dividends were resumed in 1920, and have continued without interruption.

The company has outstanding 50,000 shares of no par value, and which have been traded on the stock exchange between 22 and 27 since the stock was listed February 2, 1925.

Capitalization—

	Authorized	Outstanding
Stock	60,000 shs.	50,000 shs.
(No par value)		

Funded Debt—

None.

Dividend Record—

Dividend, 50 cents per share paid April and Aug., 1925.

Officers and Directors—

T. B. Greening, pres.; W. S. Greening, vice-pres.; C. R. Cherry, vice-pres.; J. C. Jamieson, A. C. Matthews, C. E. Spooner, F. H. Deacon.

Market Record—

	1925	
Stock	27	21½
Stock	27	[illegible]

Mankind Must Eat

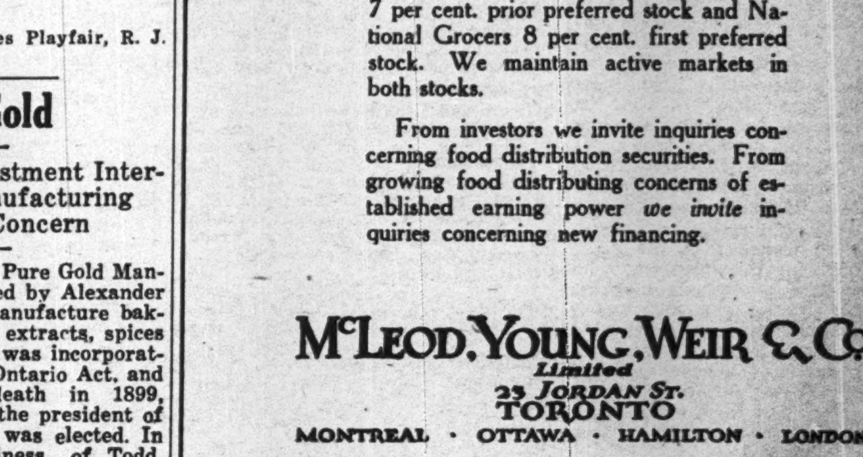
People must eat. They must eat in times of prosperity and in times of depression. They must eat whether the tariff be high or low. At all times, and under all conditions—people must eat.

Hence it is that the business of food distribution is one of the most stable of all businesses. Conservative financing of this business is essentially sound financing. The immediate security is two-fold — firstly, centrally located urban real estate, which could easily be used for other purposes if necessary; and, secondly, groceries, probably the most liquid of all classes of merchandise.

We have been associated with the original underwriting of Loblaw Groceterias 7 per cent. prior preferred stock and National Grocers 8 per cent. first preferred stock. We maintain active markets in both stocks.

From investors we invite inquiries concerning food distribution securities. From growing food distributing concerns of established earning power *we invite* inquiries concerning new financing.

McLEOD, YOUNG, WEIR & Co
Limited
23 *JORDAN ST.*
TORONTO
MONTREAL · OTTAWA · HAMILTON · LONDON



Winnipeg Mill—Daily Capacity 5,500 Barrels.

Western Canada Flour Mills Co.

LIMITED

THE Western Canada Flour Mills Company is one of the Dominion's large and successful milling enterprises, owning and operating seven large mills at the following points:

Goderich, Ontario
Brandon, Manitoba
Winnipeg, Manitoba
Calgary, Alberta
South Edmonton, Alberta

Four flour mills have a combined capacity of 10,000 barrels daily and three cereal mills a combined capacity of 1,000 barrels daily of oatmeal and rolled oats.

It also owns and operates terminal and country elevators with a storage capacity of 5,500,000 bushels, situated in the Provinces of Ontario, Manitoba, Saskatchewan and Alberta.

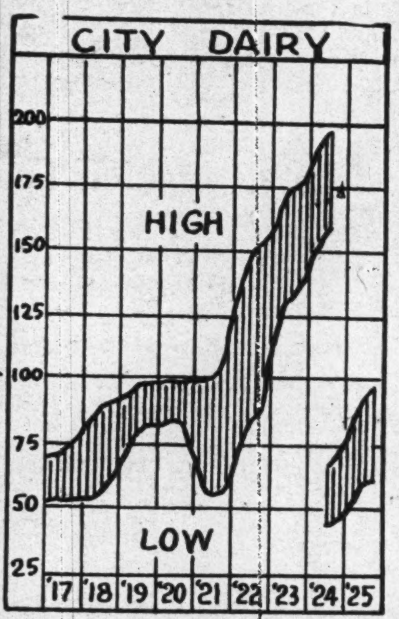
DIRECTORS
D. B. HANNA, President.
A. J. MITCHELL, Vice-Pres.
ANDREW KELLY, JOSEPH WRIGHT, SIR JOHN AIRD,
SENATOR G. H. BARNARD, NOEL MARSHALL, R. G. O. THOMSON,
MAJOR R. H. B. KER, JOHN DAVIDSON.

HEAD OFFICE - TORONTO

PURITY FLOUR
98 lbs.
PURITY FLOUR

City Dairy Company

Shows Remarkable Expansion in Service and Steady Growth in Profits, Especially From By-Products



The development of such an organization as the City Dairy Company, Limited, provides the romantic side of our industrial progress. More than the mere history of profits for shareholders and extension in plant and equipment, the story of City Dairy is the story of the growth of Canada. Established now for a quarter century, City Dairy has shared the growth and prosperity of an expanding community. Aiming always to perfect its service to the community, this, like many other public service organizations, has reaped ample returns, and has become what might easily be called an "institution" in the life of the country.

Barring the war years which tried the mettle of this young organization, as a result of increased costs without a relative increase in the price of the product, the profits of the company have shown a steady and constant increase year by year. Earnings have expanded steadily, and dividends have been shoved up a notch each year in keeping. In 1917, earnings amounted to $70,275, and, as no dividend was paid, the surplus was allowed to accumulate. From that time to the present, earnings have expanded materially each year. The dividend on common stock which was passed in 1916 was resumed in 1921 and was increased in 1922 from 7 to 10 per cent. In July, 1924, it was again increased, this time to 75 cents per share of $25 par, and a bonus of three per cent. was declared in January, 1922. Preferred dividend was also passed in 1916, but was resumed in 1918 and all arrears were paid in 1921.

Meanwhile the City Dairy Company was extending its plant and equipment to care for the needs of a rapidly growing community. During the period following the war, old equipment was renewed and extended, and a number of subsidiaries were added. There were times, however, when such a policy was not feasible. In 1917, Mr. Northgrave took charge and immediately put into operation a policy of retrenchment. The common stock at that time was selling around 40. For years it had been paying very little to the holders, with the exception of the period around 1914. In 1917 the percentage earned on common was 3.76 and this began immediately to increase by leaps and bounds. By 1921 it had reached 24 per cent. In 1923 it was 41.21.

The percentage earned on preferred also reached a low point in 1916, but from that time began to expand in a large way. In 1921 it had reached 26.59, and in 1923, 40.26 per cent. It was then that criticism began to be heard that such large profits should not be earned upon a public necessity. It was urged that if so large dividends could be paid, the company could well afford to lower the price of milk—an essential food product. The movement materialized in a demand made at the City Hall for an investigation into the profits of the milk business. It was the rather interesting disclosure that the high profits were not being made in the milk industry proper, but rather in certain of its by-products. Powdered milk, ice cream, and butter, were found responsible for the bulk of the profits.

Profits From By-Products

One of the most important by-products of the milk industry to-day is powdered milk. This product has been found to be remarkably well adapted to those countries where the climate is such that the keeping of milk for any length of time is extremely difficult. Export business to the southern countries thus became extremely important and remunerative. Home uses, of course, cannot be overlooked. Many uses soon developed for a form of milk that would not sour, and that could be kept on hand for a long period.

As a result of this new demand, the Drimilk Company was incorporated in 1920 with an authorized capital of $150,000, and in 1922 the capital was increased to $250,000. By March, 1925, as shown below, there had been $50,000 in common stock and $170,000 in preferred allotted and issued by the company, all of which belonged to the City Dairy Company. In March of this year, as stated, the company formed a new firm under the same name with an authorized capital of $1,250,000.

With regard to the profits made from by-products of the industry, the following interesting statement was made some time ago by Colonel F. H. Deacon, a director of the company:

"The company's profits now do not come out of its milk business, which barely breaks even, but out of its by-products. For example, the company is engaged extensively in the powdered milk, ice cream, butter and cheese business, as well as in the main business of selling milk and cream. It is this fact that now enables it to pay dividends. The company has branches or stations at Listowel, Woodstock, Embro, Courtland, Simcoe and other points for receiving milk and cream. The feature of the company's organization is that it is in a position to adjust itself to the varying demands of the public with an absolute minimum of waste. If the big demand at a certain time is for whole milk, or for cream, we are in a position to meet it from our huge supply. If, on the other hand, the demand falls off, the milk collected is used for butter, cheese, ice cream, powdered milk, etc. If there is a big demand for cream, the milk is separated at the receiving stations, effecting a saving in freight."

Stock Reacts Accordingly

After remaining at a low level for some time in sympathy with the general condition of the company's business, the outstanding stock began to soar, reaching new high levels every month. As already stated, the common was around 40 in 1916, but the improving conditions and expanding business altered this situation. With a fairly steady rise, common had reached a high of 153 in 1922 and 175 in 1923. In 1924 it was split up on a basis of four new shares for one old. The market gave the change a good reception and the stock continued to soar. In 1924 the high point of the new shares was 66 and the low 40¼. During the present year to date, the high has been 90½ and the low 65. The preferred stock has reacted accordingly. In 1923 it had a high of 106, and this year the high to date is 110.

Following are detailed statements of the capitalization, dividend and earning records, and stock fluctuations of the City Dairy Company and its subsidiary, the Drimilk Company:

Capitalization—

	Authorized	Outstanding
xCommon	$1,000,000	$565,000
Pref. 7% cum.	1,000,000	700,000

xOn March 27, 1924, the shareholders authorized a division of each $100 share into four shares of $25 each.

Dividend Record—

Common paid quarterly. Passed for Quarter ended June, 1916. Resumed 1¾% for quarter March, 1921. Increased from 7 to 10% beginning January, 1922. Increased to 75 cents per share ($25 par) July, 1924. Bonus of 3% January, 1922. Preferred paid quarterly. Passed Sept., 1916. Resumed June, 1918. All arrears paid January, 1921.

Officers and Directors—

S. J. Moore, chairman and vice-pres.; W. J. Northgrave, president and managing director; A. E. Ames, J. N. Shenstone, J. G. Kent, Col. F. H. Deacon, F. E. Brown, E. G. Baker, Mark Bredin; J. Findley, sec.

Profit and Loss—

	1923	1924
Profits	$225,477	$248,456
Other income	56,383	37,206
Bal. forward	421,586	149,313
	$703,446	$434,975
Pref. dividends	49,000	49,000
Com. dividends ...	56,500	64,975
Surplus	149,313	292,621
Written down	448,633	......
Adjust. of deprec. .	......	28,379
	$703,446	$434,975

Eight Years' Earnings—

Year	Earnings	Dividends	Surplus
1917	$ 70,275	$	$ 84,234
1918	112,022	36,750	159,507
1919	115,390	49,000	225,897
1920	117,770	122,000	221,168
1921	163,778	105,500	301,648
1922	200,747	105,500	421,586
1923	225,477	105,500	149,313
1924	248,458	113,975	292,621

Market Record—

	1923		1924		1925	
	H.	L.	H.	L.	H.	L.
Com.	175	135	66	40¼	90½	65
Pref.	106	96	110	104	110	104½

DRIMILK COMPANY

The Drimilk Co. was incorporated in March, 1920, with an authorized capital of $150,000. In June, 1922, the capital was increased to $250,000. At the end of March, 1925, there had been allotted and issued by the company $50,000 in common stock and $170,000 in preferred stock, all of which belonged to the City Dairy Co.

On March 25, 1925, the Drimilk Co. caused to be incorporated a new company under the same name with an authorized capital of $1,250,00, consisting of 30,000 shares of common and 20,000 shares of preferred, both of the par value of $25 per share, such preferred shares carrying a fixed cumulative dividend of eight per cent. per annum. Immediately upon incorporation the new company acquired from the old company its total undertaking in consideration of $750,000 of the common stock and $170,000 of preference paid and non-assessable, which stock was issued to the old company and by distributing in specie will pass to the City Dairy Co., the intention being that the latter company should own the total issued stock of the Drimilk Co.

Caulfields Dairy

Profits Promise to Care for Interest on Preferred and Provide Surplus

The only outstanding securities of Caulfields Dairy Ltd. are 4,000 shares of common with a par value of $25 and 1,000 shares of 7 per cent. preferred with a par value of $100. The fact that nearly all of the preferred issue was sold to shippers to the firm, lends interest to the issue as an experiment in co-operative ownership.

The preferred issue was made almost solely for purposes of expansion. Caulfields Dairy Ltd. was organized in May, 1924, to take over the Yonge St. branch of the company with equipment. It was later found that growth of business made it necessary to enlarge the new plant and its equipment. The project is a modern bottling plant with a capacity of 8,000 quarts per day, allowance being made for expansion as the North Toronto business of the company grows.

The Caulfields Dairy has enjoyed gradually extending business since its inception and has become a well-established public service. The present earnings of the company are more than enough to meet the dividend requirements of the new issue. By the beginning of 1926 it is expected that, with the new plant in operation, the profits will be sufficient to take care of interest needs as well as providing a surplus to be applied on common stock dividends. Operating on the basis of 8,000 quarts per day, earnings, judging from the experience of the parent company should reach $42,800 a year. Following is a statement of the capitalization:

Capitalization—

4,000 shares common	$100,000
1,000 Shares, 7% pref. ..	100,000

Com. $25 par value; pref. $100 par value.

Western Grocers

Improvement in Company's Affairs With Better Business in West

With the turn in the tide of business in Western Canada in mid-July, when the success of the crop was assured, Western Grocers began to experience better business. This has been indicated in the action of the stock on the market, the common having sold up to 14½ as compared with a low for the year of 5. Not only is there an improved demand for the company's various lines, but the profitable crop has meant the liquidation of debts on a scale more satisfactory than for some years.

Western Grocers was incorporated in 1912 as the A. Macdonald Co., and the present company was formed in June, 1918. The company conducts a mail order wholesale grocery business through 13 branches located largely in the Prairie Provinces.

The annual report for 1924 showed net profits, after deducting all operating expenses, making adequate provision by way of reserves and write-offs for bad and doubtful debts, of $63,680, compared with $47,252 in 1923 and $156,904 in 1922.

The company has outstanding 7 per cent. cumulative preferred shares amounting to $2,388,600. The last dividend distribution on this stock was in July, 1923, making accumulations of 10½ per cent. at the first of the present year. On the $3,000,000 of common stock nothing had been paid since 1913.

Capitalization—

	Authorized	Outstanding
Common	$4,000,000	$3,000,000
Pref. 7% cum..	3,000,000	2,388,600

(Shares $100 each)

Funded Debt—

None.

Dividend Record—

Preferred, 7% paid to Dec., 1913. Resumed for quarter beginning Jan., 1919; 35% paid Feb. 28, 1919, in preferred shares in full of dividends accrued to Dec. 31, 1918. Passed for quarter beginning July 1, 1923, and since. Common, 5% was paid to June 30, 1913, none since.

Officers and Directors—

W. P. Riley, pres. and gen. mgr.; W. H. McWilliams, H. W. Hutchinson, Andrew Kelly, E. E. Hall.

Profit and Loss—

	1923	1924
Profits	$47,252	$46,407
Depreciation	30,183	14,499
Written off	13,562	......
Income tax	4,956	9,768
Reserve	.....	59,715
Pref. divi.	83,601	......
	*85,050	*37,575
Bal. forward	10,955	69,220
Bal. spcl. res.	143,316	......
	$69,220	$31,645

* Deficit.

Market Record—

	1923		1924		1925	
	H	L	H	L	H	L
Com.	11½	5	6	2	14½	4½

National Grocers

Merger Comprises 70% of Ontario Grocery Trade — May Lead to Larger Consolidation

The movement of business towards consolidation to effect economies in buying and in production has a recent outstanding example in the grocery field in the formation last August of the National Grocers Company. National Grocers controls about 70 per cent. of the grocery trade of the province of Ontario. An idea of its magnitude is gained from the fact that the constituent houses sold nearly $30,000,000 worth of food and allied products in 1924. It comprises about 25 wholesale houses operating in all about 37 warehouses. The combined assets of these houses total approximately $7,000,000.

As intimated, the main purpose of the merger was to effect economies in the distribution of food commodities. It has branches at every important distributing centre east of the Great Lakes. With outstanding facilities for buying, selling and distributing, it is able to reduce many of those costs which have been mounting during recent years owing to the overlapping of the services of various jobbing houses. It is thus able to provide a service to the retailer as well as to the general public which has been impossible before.

The direction of the new organization is in the hands of Archie Foster, president; Marland Woolnough, chairman of the board, and Arthur C. Pyke is secretary-treasurer. Names of the other officers and directors are shown below. Following is a statement of the capitalization and debt of the company:

Capitalization—

	Authorized	Outstanding
Common ...	300,000 shs.	292,476 shs.
(Without nominal or par value)		
Pref. 8% cum.	$1,000,000	$1,000,000
Pref. 2nd 7%..	3,500,000	2,787,000

Funded Debt—

Sinking fund gold notes, 6½%, due 1932	2,000,000	2,000,000

Dividend Record—

Dividends on 1st pref., payable quarterly, Jan., Apr., July and Oct. The first dividend will be payable Jan. 1, 1926.

Officers and Directors—

Marland Woolnough, chairman of the board; Archie Foster, pres. and gen. mgr.; John Medland, vice-pres.; T. H. Kinnear, vice-pres.; A. H. Simpson, sales mgr.; H. L. McNally, asst. sales mgr.; D. H. Eby, office mgr.; A. C. Pyke, sec.-treas.

Timmons Limited

Established in 1871 by the late Mr. Timmons, and later conducted by his son, J. J. Timmons, under the name of Timmons & Son, Timmons, Ltd, has been for the past fifty-four years one of the leading firms in Quebec city for the manufacture of quality ginger ale and other aerated waters. The company owns a mineral spring well, which insures low cost manufacture. The company is also sole agent in Quebec City for National Breweries, Ltd.

In October of this year an issue of $28,000, 15-year, 6½ per cent., first mortgage, serial gold bonds, maturing serially from 1928 to 1940, was made at 88.50, and accrued interest to yield over 6½ per cent., with a bonus of two shares of common stock.

Capitalization—

	Authorized	Outstanding
Common	$95,000	$95,000
(Shares, $10)		

Funded Debt—

First mortgage bonds, 6½ per cent. due 1940	$28,000	$28,000

Officers and Directors—

J. Timmins, pres.; C. E. A. Boswell, vice-pres.; Marc Langelier, sec.; A. P. Hamilton, gen. mgr.; J. L. Apedaile, R. Chenevert, C. G. Dunn, E. Turner, J. P. Hempf, H. Fontaine.

Securities of
Companies Producing Foods

The important place that the production of food occupies in the Dominion will be more readily realized from the following figures: There are in Canada about 8,245 establishments producing foods, with capital investments of $341,000,000, and employing 66,000 hands. The annual wage bill amounts to $68,000,000, and the value of the products amounts annually to over $675,000,000. This is over 25% of the total annual industrial production of the whole Dominion.

The companies producing or distributing foods are generally classified in a few main divisions, such as the milling companies, the bakery companies, the dairy companies, the packing companies and miscellaneous, including production of sugar, package and canned foods, etc., etc.

As in the case in every other branch of industry, there are some companies so well managed, producing such uniformly superior products and having such good records of past performance in earning power, that the securities have come to be regarded as among the highest type of industrial securities. Some of these readily suggest themselves to any investor, and among them might be included the securities of such well known companies as the following:—

Ogilvie Flour Mills Co., Limited
Lake of the Woods Milling Co., Limited
Maple Leaf Milling Co., Limited
International Milling Company
Canada Bread Co., Limited
Canadian Bakeries, Limited
City Dairy Co., Limited
and many others.

We are at all times prepared to buy, sell or quote prices in connection with securities of the companies producing foods.

YOUR ORDERS AND INQUIRIES ARE INVITED

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Established 1889 Investment Securities
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LONDON, ENG.

Known Universally for Quality and Uniformity

LAKE OF THE WOODS MILLING COMPANY LIMITED KEEWATIN
TRADE MARK REGISTERED

LAKE OF THE WOODS
MILLING CO., LIMITED
Makers of FIVE ROSES FLOUR

Mills at—
KEEWATIN, PORTAGE LA PRAIRIE,
MEDICINE HAT

DAILY CAPACITY: 27,400 bags of 98 lbs.

HEAD OFFICE—MONTREAL

President and Man. Director
FRANK S. MEIGHEN, C. M. G.

Vice President and Gen. Manager
WM. H. HUTCHISON

Directors
W. R. ALLAN
R. M. BALLANTYNE
TANCREDE BIENVENU
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Secretary: M. H. HUTCHISON
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Asst. Treasurer: A. C. McMILLAN

WESTERN OFFICE: WINNIPEG
Offices in 17 Canadian Cities
Correspondents in all Importing Countries

Canadian Canners

Largest Canning and Preserving Company Within the Empire — Recently Underwent Reorganization and Change in Management

Canadian Canners packs 80 to 90 per cent. of the canned goods in their lines used in the Dominion of Canada. They have 20,000 farmers producing raw materials for their numerous canneries and their product is used in every house in the Dominion.

Thus briefly is selected the outstanding position of Dominion Canners, which is the largest canning firm in the British Empire. For years the company has made steady strides forward, but never rightly took its place among the foremost industries in the Dominion. Its position in the investment world was backward when it was compared with the large canners of New York and California whose securities are and have enjoyed a position among those of the highest class.

Dominion Canners never seemed to be able to soar to these heights. Instead it was regarded as being in a speculative class. Regular dividends were paid on the preferred but the common went for many years without sharing in the profits of the enterprise. It is just about a year ago that it came to light that a Toronto group had purchased control of Dominion Canners common on the open market. After that events moved fast. The holding company soon moved off and in the exchange of shares into Canadian Canners, the common shareholders came in for some of the good things that they had long looked forward to but never realized. Common shares which for years fluctuated between 20 and 40, sold up as high as 134 per share, the latter level being reached as the company was being closed out. In the exchange common shares were paid dividends, some bonds, some new common but the bulk was in the preferred of Canadian Canners on which there is a couple of years accumulated dividends and which is expected to start paying dividends in 1926. The value of the securities given per share were valued around $125.

Change in the Company

Dominion Canners preferred shareholders were given three choices in the exchange of shares. Having long enjoyed a steady income from their holdings, the bulk of the stock was exchanged into 25 year six per cent. general mortgage bonds. The exchange was very beneficial to these holders also. Shares which had fluctuated 78 to 88 sold up as high as 109¾. The value placed on the shares in the exchange was about $122.

New interests in the company expect as a result of the re-organization of the finances of the company and the changes in policy, that from now on Canadian Canners will move forward steadily until it takes its rightful place as the leader in the industry in the empire. They state that they expect the securities will steadily better their position and since the listing of the new shares there has already been an improvement take place.

An important development of late has been the change in management. W. R. Dryman, who for 20 years has enjoyed the official title of secretary-treasurer of the company, but who really has been the company's "buffer" in meeting the trade, has now assumed complete management of the business. As one closely associated with the enterprise said to The Financial Post, the company now seems on the road to becoming what it really ought to have been years ago.

This year's pack has been an excellent one. It has always been contended that if the company could pack on into October before seasonable frosts interfered, the pack could be considered excellent. This has been the case this year and at the same time prices are such as to assure the company a good return.

Re-organized in 1923

Canadian Canners purchased on April 7, 1923, all the business, undertaking and goodwill, together with all the property, assets and rights and assumed all the liabilities of Dominion Canners, paying one share of preferred stock and one-quarter share of common stock for each $100 appraised value of its fixed property including the appraised value of the fixed property of its subsidiaries and farms in which Dominion Canners had a controlling interest. The total shares issued in final settlement were 68,474 preferred and 17,109 common. In consideration of the value of the other assets of Dominion Canners less the current liabilities of that company, Canadian Canners issued a certificate of indebtedness agreeing to repay $2,636,990.01 in the principal sum of $12,500 in each month together with interest on the unpaid balance at the rate of six per cent.

Canadian Canners also purchased all the future business and undertaking and goodwill together with all their fixed properties and supplies, etc., and assumed all mortgages, liens or pledges chargeable against any of the fixed properties but assumed no other liabilities, of some twenty-nine canning and preserving companies; paying for the fixed properties by the issue of shares on the same basis as for Dominion Canners and paying cash for the supplies.

Canadian Canners has since purchased five other canning and preserving companies by the issue of shares for fixed property and by the payment of cash for supplies.

Holding Company Passes

This re-organization left Dominion Canners as a holding company, controlling the operating company. Then came the change in control and the winding up of the holding company. The exchange of shares was on the following basis:

Preferred holders of Dominion Canners had three choices:

(A)—$115 face value of six per cent. general mortgage twenty-five year sinking fund gold bonds, dated July 2, 1925, of Canadian Canners, Ltd., and also three-quarters of a share of common stock of Canadian Canners, Ltd., or

(B)—$245 face value of preference stock of Canadian Canners, Ltd., or

(C)—Half each of (A) and (B):

The holders of common stock to receive pro rata distributive their proportion of such of the above mentioned bonds and preference and common stock of Canadian Canners, Ltd., as the holders of preference stock may not elect to accept.

A resolution was unanimously passed by the shareholders on June 25, 1925, instructing the directors to notify the holders of preference stock who have not already made their election to accept offer "A" "B" or "C" that immediately after August 1, 1925, the directors would assign to all such holders of preference stock, securities in accordance with offer "A".

Common shareholders were made the following offer for each share held:

$28 face value of six per cent. general mortgage bonds, dated July 2, 1925, of Canadian Canners, Ltd.

$185 face value of preference stock of Canadian Canners, Ltd.

$15 face value of common stock of Canadian Canners, Ltd.

Total, $228 face value.

Important Subsidiaries

Canadian Canners has many important subsidiaries. These supply two of the chief commodities used in the manufacture of canned goods, cans and boxes. Seeds are grown and prepared for the growers, who supply vegetables for canning. Machine shops are maintained for the manufacture of modern canning machinery and for making all necessary repairs. A laboratory and other testing and experimental departments are maintained.

The position of the various subsidiaries follows:

Owned

Canners Seeds, capital issued, $75,000; held by Canadian Canners, $75,000; growing seeds.

Dominion Macaroni, capital issued, $100,000; held by Canadian Canners, $100,000, manufacture macaroni.

Canners Machinery, capital issued, $75,000; held by Canadian Canners, $75,000; manufacture of machinery.

Can. Farm Improvement, held by Canadian Canners, $85,000; sold.

Controls

Dominion Canners, B.C., 7% cum. pref., capital issued, $597,600; held by Canadian Canners, $556,600; operates B.C. canning factories.

Dominion Canners, B.C., ordinary, capital issued, $422,100; held by Canadian Canners, $383,800; operates B. C. canning factories.

Pembroke Shook Mills, Ltd., capital issued, $156,200; held by Canadian Canners, $117,200; making boxes.

Canning and preserving plants, farms and other subsidiaries follow:

Canning and Preserving Plants

Ontario: Aylmer, Amherstburg, Alvinston, Brighton, Beamsville, Burford, Burlington, Belle River, Bloomfield, Blenheim, Bowmanville, Chatham, Cobourg, Colborne, Consecon, Delhi, Dresden, Dunnville, Emo, Exeter, Fonthill, Forest, Frankford, Grimsby, Grafton, Hamilton, Hillier, Highgate, Jordan Station, Lakeport, Loiselleville, Merlin, Niagara-on-the-Lake, Napanee, Northport, Orono, Oshawa, Picton, Port Hope, Port Burwell, Port Dalhousie, Port Milford, Petrolia, Rednersville, Ridgetown, Ridgeville, Simcoe, St. Catharines, Strathroy, St. Davids, Sarnia, Stoney Point, Tilbury, Tecumseh, Thamesville, Vittoria, Vienna, Vineland, Waterford, Waterdown, Wallaceburg, Wellington, West Lorne, West Lake.

Quebec: St. Eustache, St. Isidore, St. Dorothee.

British Columbia: Dominion Canners, B.C., Ltd., (7 factories controlled).

Farms

Ontario: Counties: Brant, Elgin, Huron, Hastings, Lincoln, Lambton, Northumberland, Prince Edward, Rainy River District.

Subsidiaries

Machine shop, Aylmer, Ont.

Canners Machinery, Ltd., Brighton, Ont.

Cider and vinegar plant, Brighton, Ont.

Chemical laboratory and household science, Brighton, Ont.

Electrical and engineering department, Brighton, Ont.

Pembroke Shook Mills, Ltd., Pembroke, Ont. (controlled).

Can making plant, Simcoe, Ont.

Machine shop, Simcoe, Ont.

Dominion Macaroni Co., Ltd., St. Catharines, Ont.

Canners Seeds, Ltd., Wellington, Ont.

Capitalization—

	Authorized	Outstanding
Common	$2,500,000	$2,282,412
Pref. 7% cum.	10,000,000	9,114,282

(Shares $100 each)

Funded Debt—

General mortgage bonds, 6%, due 1950 .... $6,000,000 ....

Dividend Record—

Preferred 7% per annum, payable quarterly, Jan., Apr., July and Oct.; 2¼% paid July 2, 1925. Accrues from Apr. 1, 1923, but it is understood that no further dividends will be paid during 1925.

Officers and Directors—

J. J. Nairn, pres.; R. L. Innes, 1st vice-pres. and gen. mgr.; W. R. Drynan, 2nd vice-pres. and sec.-treas.; Mark Bredin, F. R. Lalor, Arthur Allen, W. L. Innes, W. G. Lumbers, W. N. McDougall, Avern Pardoe, E. A. Pearce.

Profit and Loss—

	1923	1924
Profits	$535,170	$704,264
Bond interest	67,833	85,254
Int. long term debt	116,688	158,536
Surplus	$350,649	$460,474
Prev. balance	.....	......
	$350,649	$811,123

Gunns, Limited

Some Recovery From Period of Depression is Being Experienced

The general conditions of depression in the packing industry have affected the operations of Gunns, Ltd., in recent years, as indicated by the fact that quotations for the 7 per cent. preferred stock around 31 represent only the accumulated dividends of the past four years and a half. For the seventeen months' period ending February last the company was able to show a substantial balance on the right side of the ledger. It is anticipated that this favorable showing will be continued through 1925, but it follows a succession of unfavorable years. The volume of business has continued to show expansion, but the margin of profit is very small, making it difficult to return a statement satisfactory to the shareholders.

The business was established in 1873, and, together with its subsidiaries, it is one of the largest meat-packing concerns in Canada. It owns a majority interest in the capital stocks of Gunns, Langlois & Co., the Walkerton Egg & Dairy Co., and the Wellington Produce Co., of Harriston. The company produces a variety of meat products and has a large business in produce lines, refined oils, fertilizer and poultry food. The subsidiary companies are all engaged in the produce and provision business, dealing mainly in butter, eggs, cream, cheese, poultry and provisions. A substantial export business of bacon and eggs is carried on.

Capitalization—

	Authorized	Outstanding
Common	$3,500,000	$1,760,350
7% pref.	1,500,000	1,500,000

After payment of 8 per cent. dividends on common in any year an additional 1 per cent. must be paid on preferred. Dividends are cumulative.

Dividend Record—

On preferred paid until Feb. 1, 1921. May dividend passed and none paid since. On common payments aggregating 165% were made from date of incorporation to Feb., 1920.

Officers and Directors—

J. A. Gunn, president, D. W. Gunn, vice-president and managing director, H. Green, J. Taylor, A. Gunn, E. S. Waterbury, F. W. Waddell, R. D. Bell, N. L. C. Mather, M. M. Scribner, secretary and treasurer, H. Horton, superintendent, E. J. Joyce, purchasing agent.

Profit and Loss—

Profit from operations for the period ending Feb. 28, 1925, after providing for expenses including interest, taxation, etc., was $293,290, to which was added $2,352, profit on sale of property, making a total of $295,643. After deducting $88,575 for depreciation, and $67,367, the proportion of profits earned by associated companies applicable to shareholders other than Gunns, Ltd., net profits for the year were $139,701, reducing the deficit in profit and loss to $162,812.

William Davies & Co.

Improvement in Outlook Indicated by Recovery in Price of Shares

The moderate recovery of the Canadian packing industry from the depression which followed war-time expansion has been shared by the William Davies Co., as indicated by the fact that the class A shares, which are trade on the Toronto Stock Exchange, have recovered from a low mark of 11¾ in 1924 to around 35, or practically the same level at which they were first traded when listed in 1923. The company is well organized and well managed and is regarded as being in a position to benefit from any improvement in the industry which might now be looked for in view of the better times being experienced by the packers in the United States.

The company was incorporated in 1919 to consolidate the Davies Packing interests by acquiring the Davies Co., of Illinois, with a plant at Chicago, and the entire capital stock of the William Davies Co., of Canada, together, with 60 per cent. of the capital stock of the Sheed, Thomson Co., of England, either directly or through ownership by the William Davies Co. of Canada. The business was established in 1854 and comprises a full line of packing house products. In 1922 the company sold its retail stores, about 66 in number, and located in twelve cities throughout Canada, to a syndicate known as A. Martins, Ltd. In 1924 the stock of Sheed, Thomson & Co., was disposed of.

The Chicago plant consists of an eight-storey warehouse with a capacity for a storage of 25,000,000 pounds of meat, yard facilities for loading 30 cars, office buildings, etc. The Montreal plant covers a site of about three and a half acres, with a capacity for 4,500 hogs, 3,000 cattle, and 4,500 sheep and lambs weekly. The Toronto plant comprises a site of about 7 acres, with a capacity of 18,000 hogs, 2,800 cattle, and 5,000 sheep and lambs, weekly.

Capitalization—

	Authorized	Outstanding
Class A	100,000 sh.	91,000 sh.
Class B	66,000 sh.	60,000 sh.

No par value.

Funded Debt—

First mortgage, 20 year S. F. 6 per cent. bonds due Nov. 1, 1942. Outstanding $2,350,000. An additional $1,500,000 called series "B" authorized but not issued.

Officers and Directors—

E. C. Fox, president; F. O. Mitchell, vice-pres.; J. T. Agar, vice-pres. and treas.; R. N. Watt, C. S. Eaton, F. J. Humphrey, J. L. Wright, sec.

Profit and Loss—

	†1923	1924
Profits	x$ 21,917	$687,677
Depreciation	......	282,278
Interest	454,479	195,109
Special losses	152,552	......
Surplus	x$628,948	$210,290

xLoss. †For 15 months.

Market Record—

	1923		1924		1925	
	H.	L.	H.	L.	H.	L.
Class A	36½	24	20	11¾	36	24

Class "A" shares are entitled to cumulative dividends at rate of $4 per share per annum in priority to class "B" shares, after which payment cumulative dividends of $5 per share may be declared and paid on class "B" shares. Thereafter any further dividend disbursements are to be made to holders of classes "A" and "B" share for share, without distinction. In the event of liquidation or dissolution, class "A" shares shall be entitled to the sum of $50 per share and unpaid accrued dividends before class "B" shares get anything, then class "B" will be entitled to receive $50 per share and unpaid accrued dividends at the rate of 5 per cent. per annum, any assets remaining to be distributed to holders of both classes, share for share, without distinction. Class "A" stock has voting power on the same basis as class "B" stock only when there are accrued dividends amounting to $2 per share or more.

Market Record—

	1924		1925	
	H.	L.	H.	L.
Pref.	100	93	103	96¾

P. Burns & Co.

Big Western Concern With Extensive Distributing Retail System

Established in Calgary in a small way back in the frontier days, P. Burns & Company has become one of the outstanding industries of Western Canada. In addition to the big modern packing plant at Calgary, the company's facilities are extended by additional plants at Edmonton and Vancouver. The company conducts a retail business through over 94 branch markets located in the larger cities and towns in Alberta and British Columbia. It owns large tracts of farm lands in Alberta, and buildings and real estate in Calgary, Edmonton, Lethbridge, Revelstoke, Nelson, Vancouver and elsewhere. Ranch lands consist of four separate properties in Alberta, aggregating more than 20,000 acres. In addition to its trade in livestock and dressed meats the company deals in hides, tallow, casings, bones, oil and fertilizer, also butter, eggs, poultry, and fresh, frozen, and smoked fish of all kinds.

Capitalization—

	Authorized	Outstanding
Preferred	$4,000,000	$1,500,000
Common	5,000,000	5,000,000

Funded Debt—

First mortgage 6½% sinking fund gold bonds, due 1943, outstanding $3,382,800.

Officers and Directors—

P. Burns, president; W. J. Wilson, vice-pres.; W. E. Corlet, sec.; N. Hindsley, treas.; J. Burns, gen. mgr.; Wm. Toole, W. S. Hodgens, R. B. Bennett.

Current assets as at June 30, 1924, were $5,648,810.

Fixed assets, $7,870,201, and total assets, $14,960,472.

Net profits, available for bond interest and discount, taxes and depreciation:

Year ended Sept. 30:—			
1912	$1,019,219	1916	$ 780,820
1913	841,384	1917	1,135,768
1914	573,467	1918	834,166
1915	418,933	1919	636,986
Year ended June 30:—			
*1920	$908,447	1922	703,151
†1921 ...	715,838	1923 and 1924 not reported.	

* For 9 months.
† Loss.

Harris Abattoir Co.

Owns Two Packing Plants in Toronto With Several Branches

The Harris Abattoir Company owns two packing houses in Toronto and distributing branches in Toronto, Sudbury, Sault Ste. Marie, Windsor and Ottawa, Quebec and Montreal, Sydney and Halifax, St. John and Charlottetown. It also owns 4,040 shares of the stock of the United Stock Yards of Toronto, and in March, 1918, purchased 51 per cent. of the stock of Gordon, Ironsides & Fares, Ltd.

The lastest available figures show assets of lands, buildings, machinery and equipment, $2,447,000; investments, $636,500; sinking fund, $661,000; net current assets, $1,988,000, and total net assets of close to $3,400,000.

Capitalization—

Authorized	$10,000,000
Issued	9,000,000

Dividends—

Paid quarterly, 6% per annum.

Officers and Directors—

T. F. Matthews, president; J. A. Law, Andrew Park, secretary and treasurer; J. A. Hawkinson, F. S. Snyder, S. G. Mattews; R. G. Dobier, vice-president, George Harris, G. Matthews, A. L. Arthur.

Gordon, Ironside & Fares

Gordon, Ironside & Fares, Ltd., was incorporated in 1902 to take over the business established in 1885 which controlled packing houses at Winnipeg and Moose Jaw, and branch houses at Regina, Saskatoon, Fort William, Port Arthur, Kenora and Rainy River. The company owns extensive ranching properties totalling 50,000 acres, and in addition has interests in approximately 600,000 acres of leased lands in Canada and the United States.

All the plants, branches and equipment were leased to the Gordon, Ironside & Fares Packers, Ltd., which, owing to unfavorable conditions, failed to earn sufficient to pay rentals and the interest due January, 1921, was defaulted. A bondholders' committee was appointed to represent the bondholders. A new agreement was then made, but conditions still being unsatisfactory, the committee in 1924 recommended an issue of prior lien bonds. This failed to meet with support and the Standard Trust Co., as trustee, assumed complete charge of the undertaking and is engaged in realizing on the company's assets.

GORDON, IRONSIDES & FARES—

Capitalization—

	Authorized	Outstanding
Stock	$4,000,000	$2,177,600

Funded Debt—

First mortgage 6% bonds, due 1927	2,000,000	1,306,300

Dividend Record—

Dividends formerly paid at rate of 6% per annum. Stock is closely held.

Officers—

W. H. Fares, pres.; G. E. Betts, sec.-treas.

GORDON IRONSIDES & FARES Packers

Capitalization—

	Authorized	Outstanding
Stock	$3,000,000	$2,000,000

(Shares $100 each).

Funded Debt—

None.

Officers and Directors—

J. T. Gordon, pres.; Joseph Harris, vice-pres.; W. H. Fares, vice-pres.; J. S. McLean, sec.-treas.; W. F. Colladay, gen. mgr.; W. T. Harris.

Canadian Packing

The Canadian Packing Company is controlled by Allied Packers, Incorporated. It was formed in 1919 to own and operate the five plants of Matthews Blackwell, Ltd. The business includes pork and beef packing, and the handling of produce, with plants at Toronto, Peterborough, Brantford, Montreal, and Hull. Branch houses are located at Winnipeg, Fort William, Sudbury, Ottawa, Sydney, St. John, Halifax and Charlottetown.

Capitalization—

Authorized	Outstanding
$5,000,000	$2,160,500

Funded Debt—

First sinking fund gold 6's due Feb. 1, 1928. Authorized $1,750,000, issued $1,279,800, outstanding $493,800.

Officers and Directors—

W. T. Harris, president, James Harris, vice-president, J. S. McLean, secretary and treasurer, S. G. Brock, assistant secretary, S. E. Anglin, Joseph Harris.

Assets—

March 31, 1923, net current assets, $1,987,988; total net assets, $3,916,210.

ALBERTA'S SUGAR BEETS

LETHBRIDGE.—Ninety thousand tons of sugar beets are expected to be used in the operation of the new sugar beet factory at Raymond during the coming season, according to preliminary estimates of the Utah-Idaho Sugar Beet Co. officials. The crop is a particularly heavy one, although being harvested under adverse weather conditions. Yields ranging anywhere from ten to twenty tons of beets per acre are being realized.

PURE GOLD
Manufacturing Company, Ltd.

THE business of the Pure Gold Manufacturing Company was founded in 1877 to manufacture Baking Powder, flavoring extracts, spices and grocery sundries. In 1905 the business of Todhunter, Mitchell & Co., founded in 1876 and specializing in coffee, chocolate and cocoa, was acquired and amalgamated with the Pure Gold business.

In 1921 the firm of Thomas B. Greening and Co., coffee importers, which had been founded by Thomas B. Greening in 1869, was consolidated with the other companies.

The new company operating under a Dominion Charter does a very extensive business in:—

Roasted Coffee
Chocolate *and* Cocoa
Flavoring Extracts
Baking Powder
Jelly Powders
and
Grocery Sundries

The Pure Gold Company has maintained an unbroken dividend record since 1901, with the exception of the war years, 1915 to 1919, when the directors wished to conserve resources. Dividends were resumed in 1920 and have continued without interruption.

The Pure Gold Company is doing a satisfactory volume of business with every prospect of increasing success, its products are sold in every part of Canada and a growing export business has been developed.

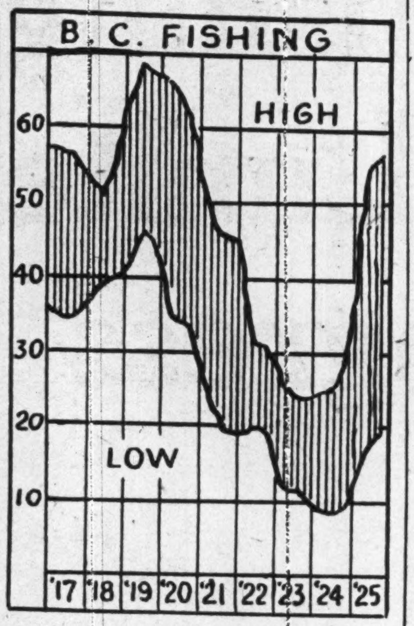
The Officers have all been continuously identified with the amalgamated enterprises for over twenty years, and the management remains unchanged.

DIRECTORS:
THOMAS B. GREENING, President.
W. S. Greening, Vice-President; Charles L. Cherry, Vice-President;
Jas. C. Jamieson, Arnold C. Matthews, C. E. Spooner, F. H. Deacon.

HEAD OFFICE 381 College St., TORONTO

B.C. Fishing & Packing

Company Had Good Pack This Year, Which With 1924 Carry-Over Was Sold at Rising Prices — Expect Dividend Resumption



B. C. Fishing has had a good pack this year. It was not quite up to that of 1924, but the drop in production was more than made up by the higher prices received for this year's product. Interest in the shares now centres around the possibilities of a resumption of dividends which were last paid in 1921. In well-informed circles it seems to be agreed that the company has worked into a position where the resumption of payments to shareholders is justified, and the best opinion seems to be that such payments may be expected around the first of the year. In the street they seem to take it for granted that the dividends will be paid and are giving up their time to speculating as to the basis of the resumed payments. The guesses show a varied opinion, running 4, 5, and 6 per cent. The last payments made were on the basis of 6 per cent., 1½ quarterly.

Carry Over Sold Well

Because of the record 1924 pack and the absence of the British Isles from the market, there was a substantial carry-over of the 1924 pack. But this year the quality of the B. C. salmon won back its position in the United Kingdom over the poorer grade Siberian product, with the result that not only was the surplus carried over taken care of, but the 1925 pack was taken up long before it was ready, and at a higher average price level. The Australian treaty with Canada, which gives B. C. salmon a preference of $1.50 per case, was also a factor in firming the price.

B. C. Fishing would have done a great deal better, as the prices now obtaining applied to the whole of the pack, but a great part of it was sold before the higher prices were recorded. Even at that it is expected that the 1924 price will be bettered by $2 on an average. Some brokers have estimated that the earnings for 1925 will run close to $400,000. This would be better than three times the 1924 figures. Net value of liquid assets is about equal to the present price of the shares. There is only one class of stock and no bonded indebtedness.

Capitalization—

	Authorized	Outstanding
Com.	$5,000,000	$ 4,291,800

Dividend Record—

Initial dividend of 1¾ per cent. paid Nov., 1914; May and Nov., 1915, 1¾ per cent. each; May and Nov., 1916, and May and Nov., 1917, 2 per cent. each; May, 1918, 2½ per cent.; Aug. and Nov. 1918, and Feb. and May, 1919, 1¼ per cent. each; Aug., 1919 to May, 1921, 1½ per cent. quarterly; none since.

Funded Debt—

George & Barker Salmon Packing Co., 6 per cent. first sinking fund bonds, due 1929, guaranteed by the B. C. Fishing & Packing Co., $43,000.

Officers and Directors—

W. H. Barker, president; C. Sweeny; J. M. Whitehead, gen. mgr.; E. E. Evans; E. W. Rollins; M. Workman; G. H. Smithers; A. Flumerfelt; Milton L. Hersey; H. H. Morris; L. Doucet, sec.-treas.

Profit and Loss—

	1923	1924
Profits	x $125,114	$ 129,153
Excess value of canneries	....	102,922
	x 125,114	232,075
Bal. for.	22,415	x 123,312
	x 102,699	108,763
Depreciation	...	90,000
Adj. of taxes ...	20,613	13,539
	x 123,312	5,224

x Deficit.

From January 1st, 1921, the British Columbia Fishing and Packing Company ceased to be a holding company of the stock of the British Columbia Packers' Association and became an operating company.

Market Record—

	1923 H.	1923 L.	1924 H.	1924 L.	1925 H.	1925 L.
Stock ...	24	12	25	8	59½	19

Robin, Jones & Whitman

With head office and extension warehouses at Halifax, Robin, Jones and Whitman, fish packers, have, in addition, 29 fishing and trading establishments throughout the Maritimes and in Quebec. The history of the firm dates back to 1776, when the C. Robin Collas Co. was founded in England for trading and fishing operations. In 1910 the present house was organized to amalgamate it with the firm of A. G. Jones C., establsihed in 1835, and which had extensive West India connections. For over a century the company's product has been the standard in the South Brazil trade.

Capitalization—

	Authorized	Outstanding
Common	$850,000	$562,800
Preference	900,000	848,000

Shares $100 each.

Funded Debt—

1st mortgage 6 per cent. bonds due 1930	250,000	192,166

Dividend Record—

Preferred, 6 per cent. per annum. Deferred for quarter beginning Apr. 1, 1923; 3 per cent. paid May 1, 1925, bringing dividend up to Sept. 30, 1923. Common dividend increased from 4 to 6 per cent. for quarter beginning May, 1918. Last paid March 31, 1921.

Officers and Directors—

A. E. Jones, pres.; A. King, vice-pres.; A. H. Whitman, managing director; D. R. Clarke A. N. Jones.

Profit and Loss—

To March—	1924	1925
Net profit	x$2,873	$39,544
Pref. div.	....	25,440
Income tax	....	3,942
	2,873	10,162
Pref. balance	36,210	33,336
	33,337	43,498

x Loss.

Connor Brothers

Company Has Enlarged Scope of Operations and Extended Its Packing Plants

Connor Brothers are leaders in the sardine packing industry in the Maritimes, having their plant at Black Harbor, N. B. This company has recently launched an expansion programme, the first plans for which were made at the close of 1923. This involved widening the scope of the company's business and enlarging the plant capacity.

Early this year the company offered $250,000 mortgage bonds to finance the new plans. Besides packing sardines and fresh lobsters, the company operates a steamship service to Saint John, N. B.

The present packing season has been an excellent one in all lines.

Dominion Stores

Number of Stores in the Chain Has Grown From 2 to 383 in Six Years

In the half dozen years of its existence the Dominion Stores Ltd., has grown from a chain of two branches in 1919 to a chain of 383 stores at the present time, and has built up a substantial and promising business throughout the country. The economies of centralization in management, buying and so on, have been put to the best advantage and the huge organization, now called the Dominion Stores, is the result.

The gratifying progress made by the company during the early period of its existence has continued throughout the difficult period through which business has been passing. The past year has been a successful one. The total volume of sales up to the end of September amounted to $8,785,000. In 1922 the total gross sales amounted to $5,059,509. In 1923 the total was $7,663,653, and in 1924, $10,348,233. Continuation of the same rate of increase would bring the total for 1925 materially over $10,000,000. At the beginning of 1923 there were 285 stores. At present, as already stated, there are 383. Since the beginning of last year, about 100 stores have been added.

The success of the Dominion Stores is reflected in the movement of the securities of the company. In 1923 the common had a high of 27¼ and a low of 26¼. Last year the high was 36 and the low 24½. This year, to date, the high has been about 73 and the low, 28½. The preferred issue, class A had a high in 1923 of 86, in 1924 of 100 and in 1925, to date, of 109.

The policy of the company has been to favor the old stock holders in the issue of any new securities. Twice this year common holders have been given the right to subscribe for new stock at a figure much below the market value. At the beginning of the year, they were given the right to subscribe for on new shares at $20 for each two then held, and, at the same time, holders of class B preferred were given the option of exchanging one share of $100 par for 5 shares of no par common. In October the company decided to issue 10,000 shares of treasury stock to the shareholders at $10 per share on the basis of one for each five now held. At current quotations that meant a bonus of approximately $12 per share.

Following is a statement of the capital, dividend record, profit and loss account, etc., of the company:

Capitalization—

	Authorized	Outstanding	
Com.	90,000 shares,	50,000	no par val.
Pref. (a)	$1,000,000	$593,900	$100 each
Pref. (b)	15,000	15,000	$100 each

Dividend Record—

Common—50 cents per share, paid April 1 and Oct. 1, 1923, 1924 and 1925. Preferred (a) 8 per cent. per annum, payable Jan. and July. Preferred (b) 7 per cent. payable Jan. and July.

Officers and Directors—

Robert Jackson, president; W. J. Pentland, vice-pres. and gen. mgr.; Robert W. Jameson, treas.; Morley Smith, sec.; John B. Jameson, W. T. Bate, E. G. Wills.

Profit and Loss—

	1923	1924
Net profit	$131,206	$187,398
Pref. div.	......	65,012
Com. div.	......	25,000
Income tax	......	14,015
Written down	......	1,500
Surplus	......	$ 81,871
Prev. balance	......	157,296
	......	$239,167

Market Record—

	1923 H	1923 L	1924 H	1924 L	1925 H	1925 L
Com.	27¼	26¼	36	24½	72¾	28½
Pf. A	86½	85¾	100	81	109	97½

Loblaw Groceterias

Big Chain of Stores Selling High Grade Groceries at Low Prices

Growing out of an idea to sell high-grade groceries to the public at the lowest possible cost, the Loblaw Groceterias Company was formed in April, 1921. By sound merchandising methods, under the direction of T. P. Loblaw, the company has gained wide favor with the public, and at the same time yielded handsome returns to investors who financed it. The secret of the success lies in the elimination of many wasteful elements which formerly entered into the distribution of groceries, bringing lower prices to the public.

Previous to 1921, Mr. Loblaw and the other executive officers had been engaged in the grocery business, Mr. Loblaw himself having been in charge of a small chain of stores which was later sold to a group forming the nucleus of the present Dominion Stores. The Loblaw system is self-serve, cash and carry. The stores are attractive and commodious enough to accommodate a large number of shoppers at one time without personal inconvenience to them.

At present the company operates 32 stores in Ontario and four more are being established before the end of 1925. Goods are purchased in large quantities, sorted and made up at the central Loblaw warehouse in Toronto, and distributed by truck to the various stores. The company also controls the Loblaw Groceterias Inc., with four stores in and around Buffalo. Sales in 1925 will exceed $6,000,000. Possibly the outstanding factor in the organization is that while the gross profit on turnover is exceptionally low, the net profits remaining for shareholders is an especially large part of the gross, owing to the low operatin- costs.

Capitalization—

	Authorized	Outstanding
Common ..... (No par value).	72,000 shs.	72,000 shs.
Prior pref. 7%	$760,000	$545,000
Second pref.	240,000	237,000

Funded Debt—

None.

Dividend Record—

Prior preferred 7% per annum, payable quarterly, Mar., June, Sept., and Dec. 1.

Officers and Directors—

T. P. Loblaw, pres.; J. Milton Cork, vice-pres.; H. G. Muntz, C. B. Shields Daniel Urquhart, sec.

Profit and Loss—

Year Ending May		Sales	Net Profits	% Net Profit to Sales
1922	....	$1,829,577	$ 67,339	3.68
1923	....	3,136,672	124,955	4.00
1924	....	5,066,306	211,776	4.18
1925	....	6,000,000	250,000	*4.75

Before making provision for federal income taxes.

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* Estimated.

HOW BIG BUSINESS IS PERFORMING THE MODERN MIRACLE

(Continued from page 17)

duction into large chain bakery systems. In Canada it is estimated that the total consumption of bread was approximately 700,000,000 pounds in 1924, the figures of the Census Department being 669,875,832 for 1923. Canadian Bakeries, Ltd., and Canada Bread Company, Ltd., have a combined productive capacity of approximately 125,000,000 to 145,000,000 loaves (of 1½ lbs. each) per annum. These two concerns, therefore, have a productive capacity of from 30 to 35 per cent. of the actual Canadian production.

Perfection of modern machinerv has made this concentration entirely logical. Large traveling ovens now bake 7,000 loaves of bread an hour, whereas formerly the old-type stationary oven made but 360 an hour. Fleets of speedy trucks deliver freshly-made bread from strategically located central bakeries to widely scattered distributing points. And with this concentration and development of machine methods have come all the economies of large-scale operation, with a particular saving of labor, since the loaves are now baked, wrapped and packed without touch of human hands.

And what has been done by the bakeries is only illustrative of what had already been done by the meat and fruit packers and the biscuit makers—and the revolution is being continued in other food industries.

The Greatest Fishing Section of All Time

NEWFOUNDLAND

Nature's Greatest Fish Preserve

WHILE many world famous fisheries are being gradually depleted, and while once important species are virtually disappearing from many fishing grounds, Newfoundland's fisheries remain unchanged and undepleted after an exploitation of four hundred years.

The fisheries provide the main industry of the people of Newfoundland, and its main source of revenue, and despite the changes and chances to which such a venture is naturally exposed, its fluctuations have been inconsiderable. All around the 6,000 miles of its coast line, and the 2,000 miles of Labrador coastline the waters teem with fish, while a little to the south-east is the submarine plateau of the Grand Banks 37,000 square miles in extent that is nature's marine feeding ground. The pure, cold and uncontaminated waters supply an inexhaustible storehouse of marine food.

Fishing Schooners in the Harbor, St. John's, Newfoundland.

The Never Failing Source of Cod Fish Products

THE main resource of this great fishing ground is the Cod, one of the premier food fish, and nowhere else has it the quality of the fish caught in these icy waters. With the gradual depletion of other fishing grounds, Newfoundland is steadily gaining in importance and its cod fish is a well-known product on the markets of Europe, South America, Canada, the United States and the West Indies. Over the past seven year period 1917-1923 the average annual export of cured cod fish was 1,600,000 quintals of 112 pounds to the quintal. In 1923 the revenue from this alone equalled between seven and eight million dollars.

In addition to the trade in dried cod fish there is a considerable trade in the fresh fish. In recent years, too, the sale of dried and boned cod in paper board cartons has become a substantial industry.

Of the by-products of the cod fisheries the Cod liver oil industry is becoming of great and growing importance, as Newfoundland oil is conceded by scientists to be of the very highest quality. This industry returns to the country a revenue of close to a million dollars a year.

An Inexhaustible Supply to Meet a Declining Production

WHILE many other fisheries are feeling the effect of intensive fishing, and corrupted waters, Newfoundland is still assured of an inexhaustible supply. Four hundred years of exploitation of the products of these waters have failed to affect their output in the slightest degree.

While Cod is the premier item it is by no means the only one, Herring both fresh frozen and smoked are an important item, so too, smelt Caplan and Turbot.

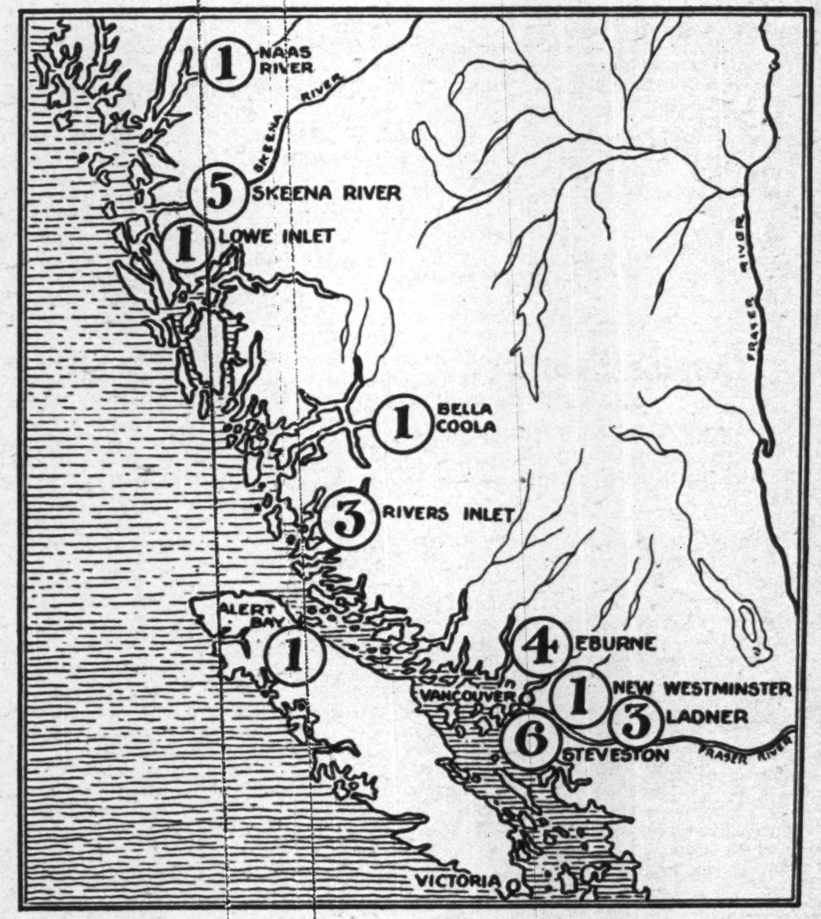
Halibut that is now brought from the Pacific Coast of Canada can be more economically secured from Newfoundland. There is a virtually limitless supply, and modern methods of cold storage have assured the success of this industry. The canning of Lobster, Cod, Halibut and Salmon has become an important industry. There is a steady and growing market, too, for squid, eels and mussels.

The rivers and lakes of Newfoundland abound with fresh water fish, that provide an abundance of sport for the tourist and sportsman.

The British Columbia Fishing and Packing Company Limited Makes Rapid Progress

PLANTS:

Location	*Name of Cannery*
Steveston, B.C.	Imperial Atlas Pacific Coast Colonial Canadian Pacific Columbia Cold Storage
Eburne, B.C.	Terra Nova Acme Celtic Dinsmore Island
Ladner, B.C.	Brunswick Currie-McWilliam Anglo-American



Map Showing Number and Location of British Columbia Fishing & Packing Company's Plants and Canneries

PLANTS:

Location	*Name of Cannery*
Alert Bay	Alert Bay
Skeena River	Alexandra Balmoral Cunningham Dominion Oceanic
Rivers Inlet	Wadham Brunswick Rivers Inlet
Naas River	Naas Harbor
Lowe Inlet	Lowe Inlet
Bella Coola	Bella Coola
New Westminster B.C.,	Ewen

THE past year has shown a remarkable improvement in the business of the British Columbia Salmon Fishing Industry as a whole and of the British Columbia Fishing and Packing Co. in particular. While the year 1924 showed a general improvement, the year closed with a carry-over of $806,738 worth of salmon. This has all been sold at advanced prices, thus leaving the company with decks clear to meet the 1925 operations.

The returns available for this year's pack show a total of 320,000 cases of canned salmon and 950 tierces of mild cured salmon, as compared with 281,000 cases of canned salmon and 485 tierces of mild cured salmon in 1924.

There has been a marked revival in the export markets for the company's goods, United Kingdom, Australia, New Zealand and South Africa making large demands, while France, Germany and Austria have again appeared in the market. In addition to absorbing the surplus from last year's pack, the present year's output has been entirely sold, at considerably higher prices than last year, so that the company will enter next year's business in a more favorable condition than has been the case for many years past.

In addition to the vastly improved selling conditions, costs have become more reasonable and all depreciations have been fully provided for, and interest charges will be very much less, as bank advances have been reduced from time to time as shipments have gone forward. The general position of the company, as reflected in the 1924 statement, shows—

Victory, Municipal and other Bonds	$279,633.00
Shares in and advances to other companies	339,511.28
Inventory—Stores, Nets, Supplies, Lumber, Logs	467,215.73
Canned Salmon on hand	806,738.26
Accounts and Bills Receivable	244,711.92
Cash in banks	112,878.39
Advances on 1925 pack	26,700.92

or a total of $2,277,000.00 odd liquid assets, against which advances to the bank and accounts payable and taxes amount to $460,049.00, or a net liquid position of $1,816,937.00, representing $40 per share, so with this year's stock all sold and turned into cash, the next statement will show a still further improvement.

In 1924 the company purchased two new canneries which have been in operation in 1925, and which have proved valuable investments. These canneries were purchased when the general industry was at a low ebb and on most favorable terms, and have proved to be well worth the company's estimate of their value.

PACKERS OF
"Clover Leaf" "Maple Leaf"
SOCKEYE SALMON
"Golden Net"—"Unicorn"
"Eagle"
COHOE SALMON
"Cascade" PINK SALMON

A Morning's Catch at One of the Company's Canneries

Officers of the Company

W. H. BARKER, President
AEMILIUS JARVIS, Vice-Pres.
J.M. WHITEHEAD, General Manager
L. DOUCET, Secretary-Treasurer
AEMILIUS JARVIS, Jr.,
Asst. Secretary-Treas.

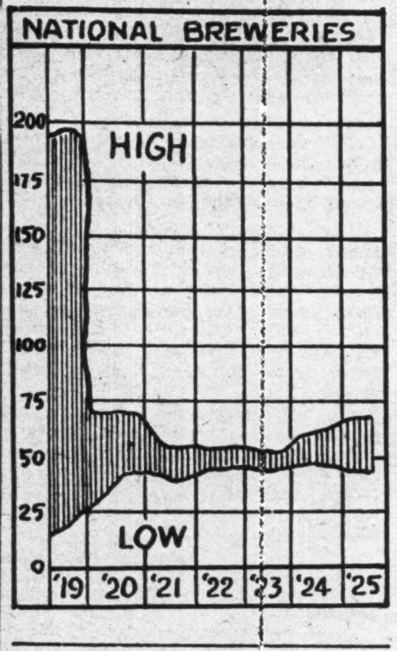
Directors

W. H. Barker
C. Sweeny
J. M. Whitehead
E. W. Rollins
Mark Workman
Aemilius Jarvis
H. H. Morris
E. E. Evans
Milton L. Hersey
George H. Smithers
A. S. Flumerfelt
Sir Henry Pellatt, C.V.O.

Salmon Fishing on the Upper Reaches of the Fraser River, B.C.

National Breweries

Better Outlook for Profits for Shareholders With the Prospect That the Beer Price War Has Been Ended



This year, due to the five and a half months' beer war, the brewing interests in and around Montreal have all been adversely affected. Successive reductions in selling prices cut deeply into the earnings of the various companies and led to the suspension of the dividends on the common stock of the National Breweries for the first time since they were initiated in 1919.

National Breweries came into being in 1909, when a number of firms consolidated with a capitalization of $2,- shareholders at $35. At the time of par value of $100 each. Early in 1920, the common shares were exchanged on a basis of four new $25 par value shares for each one of the $100 shares.

Dividends have been paid continuously on the preferred stock and on the common stock, with the exception of the interruption this year, due to the war. The rate on the preferred is 7 per cent annually and on the common 16 per cent., or $4 per share, since the division of the stock.

The management has pursued a policy of expansion and improvement by erecting extensions and adding new plants, paying for these out of current earnings, without increasing the bonded indebtedness. This policy of using earnings has found reflection in the ever-increasing profits, which amounted to $1,072,897 in 1924, as compared with $452,400 in 1915. Until the price war incident, which was finally closed in the middle of August, the stock was steadily mounting in value, on the ground of its growing earning power.

The National Breweries did not bring on the beer war — it was not their fault, because the company was caught between the upper and the nether millstones of two other concerns which cut prices. This resulted in, to all intents and purposes, cutting off the company's profits for almost half of the fiscal year. In order that it might once again resume its $4 annual dividend, some weeks ago it was decided to double the present common stock outstanding. In addition, it was decided to change the stock to a no par value instead of $25, as before.

At the end of October, the shareholders authorized the plan and new stock in the company will be offered to its present shareholders on the basis of share for share. The new stock will be offered to the present shareholders at $35. At that time of the offering of new stock, the shares were selling at prices which meant that this offer was really a bonus of $30 a share in the form of rights to subscribe to the new stock.

The sale of this stock is netting the company some $2,500,000. With the funds so obtained, it will be able to wipe out its bank loans entirely, better its working capital position, and it will mean that the extensive additions which have been made to the plant during the past two or three years will be paid for out of this new financing, rather than out of earnings. With earnings at their present level, the company is in a position to immediately place its common stock on a $4 dividend basis. There seems to be no doubt that this dividend will be resumed shortly.

Capitalization—

	Authorized	Outstanding
Pref. 7% cum.	$4,000,000	$2,775,000
Com. stock ...	6,000,000	2,254,300

Funded Debt—
First mortgage 6 per cent. bonds due July 1, 1939, redeemable at 105, $1,180,000.

Dividend Record—
Preferred 7 per cent. per annum, payable 1st January, April, July and October. Common, $4 per share of par value, $25. Passed for quarter ended June 30, 1925 and since. In February, 1920, 4 shares of $25 per share were exchanged for one share of $100 par.

Officers and Directors—
N. J. Dawes, president and man. dir.; T. Cushing, vice-pres.; J. D. Hudson, gen. mgr.; C. E. A. Boswell, Lt.-Col. G. R. Hooper, vice-pres.; G. C. Cushing, L. A. Ekers, D. Robinson, K. T. Dawes, Gen. W. O. H. Dodds, A. W. P. Buchanan, K.C.; A. D. Johnston, sec.-treas.

Profit and Loss—

Year ending Dec. 31	1923	1924
Profits	$1,029,704	$1,072,897
Deprec. res. ...	187,093	212,155
Bond interest .	78,000	73,200
Pref. divid.	194,250	194,250
Com. divids. ...	360,688	360,688
Balance	$ 209,673	$ 232,604
Prev. balance ..	2,462,594	2,672,267
Prof. and loss bal.	$2,672,267	$2,904,871

Eight Years' Earnings—

Year	Earnings	Dividends	Surplus
1917	$ 417,226	$ 194,250	$ 664,083
1918	616,266	194,250	900,593
1919 x	1,061,350	384,426	1,379,938
1920	976,609	554,938	1,018,238
1921	1,243,220	554,938	2,035,559
1922	1,254,674	554,938	2,462,592
1923	1,029,704	554,938	2,672,267
1924	1,072,897	554,938	2,904,871

x For 14 months.

Market Record—

	H.	L.	H.	L.	H.	L.
Bnds.	104	100	103½	103⅛	104	104
Com.	56⅞	46	63⅝	48½	68	42
Pref.	98	85	106	95	110	98

TERMINAL ELEVATOR

At Fort William and Port Arthur there are 35 terminal elevators having a combined capacity of 63,310,000 bushels of grain. The name "terminal," however, is not applied in its usual sense as indicating the end of the rail haul. There are interior terminal elevators as well as those where the grain is transferred from rail to water. In Manitoba there is a huge terminal elevator at Transcona, while others are located at Saskatoon and Moose Jaw, in Saskatchewan; at Calgary and Edmonton, in Alberta; and at Vancouver in British Columbia. A terminal elevator is one where the grain is stored in bulk according to grade after all details of inspection and weighing are completed. From it the grain is shipped in huge consignments to distant markets.

Frontenac Breweries

May be Merger to Bring About End of the Beer Price War

Frontenac Breweries still remain shrouded in mystery. The incident which caused the beer war in Montreal was the purchase of all the common and preferred stock of Frontenac Breweries by Donat Raymond and his interests. The price paid for the stocks was $120 per share for both the preferred and common stock. Shareholders at that time did very well by the deal, as $27 was added to the market value of the preferred shares, and it doubled the value of the common stock—that is, the market value. The Raymond interests paid $1,450,000 for the property.

The new board of directors of the Frontenac Breweries has not been announced yet, but, since the purchase, Frontenac have been working in such close harmony with the other Quebec brewers, that it is quite generally thought that the National Breweries' interests brought about the deal to bring to an end the disastrous beer war. There is a general feeling also that National Breweries now control Frontenac; some time ago the National Breweries interests denied the fact that they had purchased their competitor. It is generally thought, however, that "Beer" had some stake in the deal, which resulted in Frontenac changing hands, and brought about the conclusion of the beer war.

Capitalization—

	Authorized	Outstanding
Pref. stock.....	$ 500,000	$ 375,000
Com. stock	1,500,000	910,000

Funded Debt—
First mortgage 6 per cent. bonds due December 1, 1951, $1,005,600.

Dividend Record—
Preferred 7 per cent. Payment of 35 per cent. arrears made May 15, 1924, 10 per cent. in cash and 25 per cent. in preferred stock. Common, no dividend yet paid.

Officers and Directors—
Joseph Beaubien, president; Hon. J. M. Wilson, vice-president; Donat Raymond, Joseph Daoust, Joseph Versailles, Pierre Beaubien, Joseph Ethier, L. J. Moulton, sec., B. Beland, treas.

Profit and Loss—

	1923	1924
Net profits	$315,608	$209,162
Interest	63,749	73,748
Depreciation	93,980	94,320
Bad debts res. ...	3,177	....
	21,000	24,937
Pref. dividends ..	21,000	24,937
Div. arrears	63,000	105,000
Amortization	40,000	....
Surplus	30,702	x 88,843
Prev. bal.	286,118	309,255
Balance	316,820	220,412

x Deficit.

Market Record—

	H.	L.	H.	L.	H.	L.
Pref. ..	120	100	122	90	120	91
Com. ...	60	43	73½	55	120	100

Cosgrave Brewery

Failure of 4.4 Beer to Take in Ontario Made Earnings a Disappointment

Shares of Cosgrave Brewery have proved a disappointment to many holders. When 4.4 beer was announced for Ontario, there was a rush to take up the stock at rising prices. But the beer did not take well, sales proved negligible, and the expected high earnings will not be forthcoming. Still the company has been doing a fair business. Combined sales of 4.4 beer and the export sales of better quality product have kept the plant going fairly well. There is much speculation going on as to the future in Ontario, and rumors that the next election in Ontario will be fought out on the liquor question is not without its possibilities for the stock.

Capitalization—

	Authorized	Outstanding
Stock	$1,000,000	$1,000,000

Shares $10 each.

Dividend Record—
7% per annum, payable quarterly, Feb., May, Aug., and Nov. Increased from 6% to 7% for quarter beginning Sept. 1924.

Officers and Directors—
Jas. F. Cosgrave, gen. mgr., N. L. MacDonald, J. J. O'Neill, Lt.-Col. H. A. Stewart.

Profit and Loss—

Profits	$ 102,970
Res. for income tax	$ 15,850
Dividend	59,999
Surplus	$ 27,121
Prev. bal.	49,315
	$ 76,436

Willards

Year Expected to Show an Increased Volume of Sales, but Profits Are Held Down

Keen competition among the chocolate manufacturers has resulted in the shaving of profits. Willard's Chocolates has had a good year, with an increased volume of business, but the margin of profit is remaining about the same level. The company has paid all dividends to date, and it is expected that the annual report will show a small surplus.

Manufacturers have experienced an increased demand for their wares. Better conditions throughout the country have resulted in the buying of more chocolates and ice cream, but the field has been so aggressively developed that a low margin of profits has been the outcome.

Capitalization—

	Authorized	Outstanding
Common	$2,000,000	$1,500,000
Pref. cum. 8% .	1,250,000	564,000

(Par $100)

Funded Debt—
The new company assumed the properties of the old company subject to the mortgages thereon, aggregating $224,500, due in annual instalments until 1930.

Dividend Record—
Dividends on preferred payable quarterly, Mar., June, Sept., and Dec.

Officers and Directors—
E. G. Robinson, pres. and gen. mgr.; J. D. Spackman, vice-pres. and treas.; W. Robinson, gen. supt.; E. J. Spackman, European mgr.; J. W. Mitchell.

Wm. Paterson Ltd.

Company is Working Into Strong Liquid Position—Has Shown Improvement

William Paterson, Limited, Brantford, had a better year in 1924 than the previous year. In fact, the improvement in the company's position was rather marked. The present year has been as good, though biscuit and confectionery business has continued highly competitive. The market, however, has been a little more settled for the industry and collections are reported as improving. William Paterson as a result of careful management is working steadily into a good liquid position, the last figures available showing current assets almost double current liabilities.

Capitalization—

	Outstanding
Common	$200,000
Preferred	200,000

Current assets at the end of 1924 amounted to $324,572; fixed assets $465,724, and total assets $790,298.

NEW CEREAL PRODUCT PROMISES WIDE SALE

Appo Krisp Combines High Food Qualities of Apples and Grain

The debut of the new cereal product, Appo Krisp, creates interest from several points of view. It is based on an almost universal habit of eating fresh fruit and some sort of cereal for breakfast. It combines food qualities, both of which are highly nutritive. It utilizes two basic products of the Maritime Provinces. Its securities placed on the market inspire interest, if for no other reason, on account of the remarkable success of certain other cereal products.

The number of prepared cereal foods now on the market, and the success experienced by those companies manufacturing them, is clear evidence of the increasing popularity of such products. Appo Krisp has a high food value, according to expert analyses made public. The blending of apples with wheat, in flake form, subsequently toasting at a high temperature, with a knowledge of the thermo stability of the vitamines, so that those necessary vital elements are not destroyed, results in a palatable and substantial food product.

After the product had been perfected, patents were applied for and issued in the United States and Canada, and patents are now pending in Britain, Australia, New Zealand, and South Africa. Next a company was organized and the product placed on the market.

Later Appo-Krisp, Limited, was regularly incorporated under the laws of the province of Nova Scotia. Appo Krisp, Limited, is the sole owner of the Canadian patents. The services of the inventor, Mr. Humphrey, have been retained by the company, and he is now actively engaged in connection with the operations. While the efforts of the company will be concentrated at first on the manufacture and sale of Appo-Krisp as a breakfast food, Mr. Humphrey has in mind the development of other food products based on fruit material combinations. For example, plans for a fruit and cereal meal, to be cooked and served hot as a cold weather food, have been practically perfected.

Another important feature of the new breakfast food is that the raw materials for the manufacture of Appo-Krisp are both capable of being produced in Canada. The suitability of local-grown wheat for manufacturing Appo-Krisp has been definitely established and the benefit to the farmers will be incalculable. It is the company's intention to build and equip modern up-to-date factories; wheat-milling and a dehydrating plant will be operated in conjunction with the main undertaking. Thus a new industry is established in the Maritime Province where it is very sorely needed, and indications are that this area of the country will benefit materially therefrom.

"Direct from Producers to Mills"

ONTARIO MILLERS AND FEED DEALERS

We can offer for immediate or deferred shipment, Wheat, Oats, Barley or Rye from Goderich, McNicoll, Midland and Owen Sound, and would be pleased if you would communicate with our Toronto Office for prices. We also handle standard recleaned screenings.

It would pay you to see us before arranging for your winter storage wheat.

CANADIAN CO-OPERATIVE WHEAT PRODUCERS, LIMITED
(*"Canadian Wheat Pool"*)
Head Office: WINNIPEG, Canada

BRANCH OFFICES
Montreal: Board of Trade Building
Western: Calgary, Alberta
Toronto: 718 Dominion Bank Building
New York: Produce Exchange

The Institution Back of THE FINANCIAL POST

ABILITY of The Financial Post to render peerless service to business Canada is strengthened by the vast organization that is behind the work of The Financial Post's immediate staff. The MacLean Publishing Company, Limited, is the largest publishing house in Canada, and the largest business paper publishing house in the British Empire. The many publications produced cover a breadth of human activity that touches every man and woman in Canada.

In 1887, when John Bayne Maclean founded, in an exceedingly modest way, the organization that to-day stands in that position of leadership, he set standards of integrity, service and dominance that have been fulfilled as they have been continually raised with the advance of publishing knowledge.

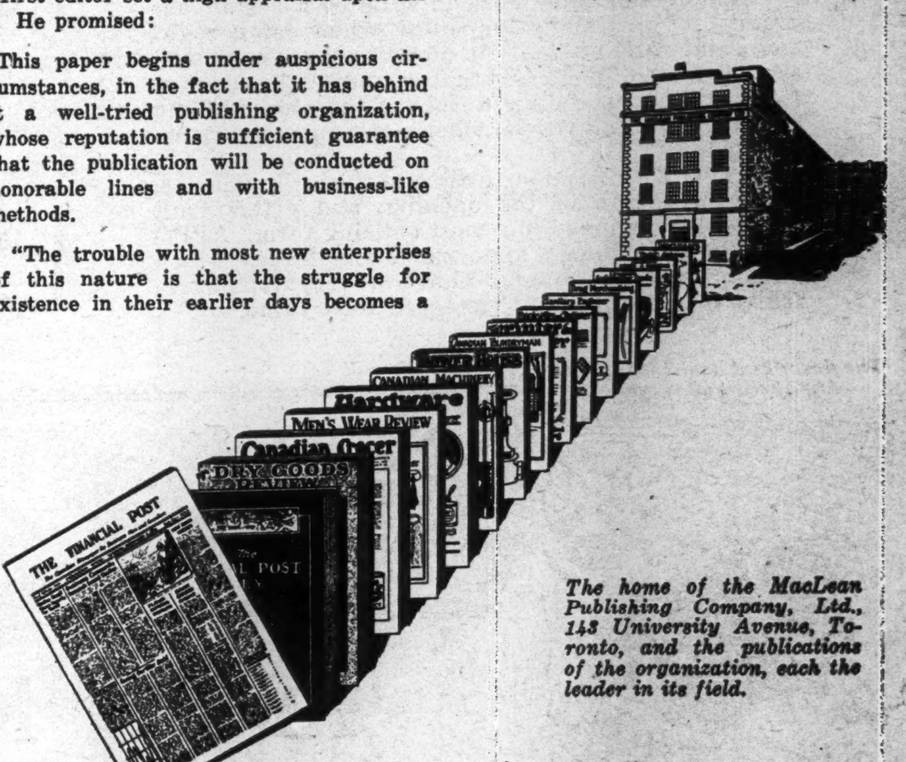
In 1907 The Financial Post was founded. The first editor set a high appraisal upon his task. He promised:

"This paper begins under auspicious circumstances, in the fact that it has behind it a well-tried publishing organization, whose reputation is sufficient guarantee that the publication will be conducted on honorable lines and with business-like methods.

"The trouble with most new enterprises of this nature is that the struggle for existence in their earlier days becomes a drag and a worriment to all concerned. Such a situation cannot arise with The Financial Post, which will make every endeavor to carry out the lines upon which it is founded, in the hope that it may become, not merely a successful undertaking, but one which will contribute its share to the proper exploitation and development of this country's securities and the resources they represent."

This high aim has never been forgotten by those contributing to the success of The Financial Post.

Having at their service the newsgathering facilities, the wealth of accumulated technical experience and the financial resources of this immense organization, The Financial Post has advanced far in the lead among the investment and business publications of Canada, in circulation, in prestige and in power to serve.



The home of the MacLean Publishing Company, Ltd., 143 University Avenue, Toronto, and the publications of the organization, each the leader in its field.

TheFinancial Post, the paper for successful men.

Atlantic Sugar Refineries

Conditions in the Industry Becoming More Stabilized—New Arrangement Being Negotiated With Creditors

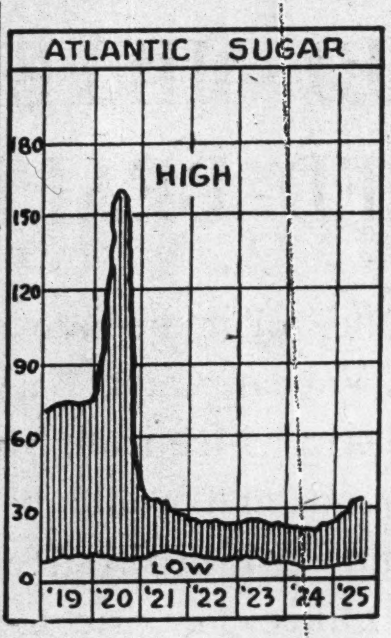
Since before the beginning of last June, the plant of the Atlantic Sugar Refineries has been operating at full capacity and output has been running at the rate of about 8,000,000 lbs. a week—a new high level for the refinery at Saint John. This year the export business of the company has once more become prominent, and it is said that, so far as can be seen at the present time, the demand abroad will continue.

On its present basis of production, earnings, after taking care of interest, depreciation, and other charges, are running at approximately the rate of $1,000,000 pen annum, which is the highest point established and considerably in excess of the 1924 figures. After allowing for the regular dividend on the preferred stock, which, of course, has been in arrears since October, 1920, this indicates net earnings available on the common stock of around $900,000, or the equivalent of better than $18 per share.

Naturally, this would not be applicable this year, as there remains first to be liquidated the $3,763,000 odd of deferred indebtedness to creditors, as well as the preferred arrears, which now amount to over 35 per cent.

At the end of 1920 the sugar refineries were loaded up with raw sugar. It was then that the price crashed, and all the sugar companies made tremendous losses, including, of course, Atlantic Sugar. In 1921, the refineries were unable to sell their refined sugar and could not even dispose of the raw product. The result of the sugar debacle is seen amongst the company's liabilities, where appears an item for $3,673,000 odd as being deferred loans payable to raw sugar creditors.

At the present time the management is endeavoring to arrange a deal whereby twenty-year, 5 per cent. notes will be issued direct to the creditors for the amounts owing. It is understood that the company has reached a tentative agreement with the English creditors and that the U. S. creditors are falling into line. In brief, what is being done is simply that Atlantic Sugar is endeavoring to arrange a plan whereby the creditors will take securities in Atlantic Sugar Refineries in full payment for their debts. Naturally, the details of a deal of this nature take time to arrange and it is these details that are being worked out at present.



Since the close of its last fiscal year the company paid off $1,360,000 in bank loans, with the result that the $3,000,000 6 per cent. second-mortgage bonds that have been held as collateral for this loan have been released and could be cancelled, should the company desire to do so. If the financing indicated in the foregoing be carried out, the capitalization would stand about as follows:

First mortgage bonds	$ 895,000
New bonds	3,673,000
Preferred stock	1,111,100
Common stock	4,858,900

The company's plant occupies a strategic position on the Atlantic seaboard and has been running at full capacity nearly all the year. If the raw sugar debt were funded and earnings proved to be as large as they have been estimated, the company would shortly be able to meet some of its dividend arrears on the preferred stock.

For many months now sugar prices have been at a very low level. This helps the sugar refiners, as it means that they do not have as much money tied up in inventory. The Atlantic Sugar makes its money, naturally, on manufacturing and not on the price of sugar itself. Again, the low price of the raw product helps the company in that it increases the demand. At the present time there is a world surplus of sugar, and there is no indication that this surplus will be used up for many months. Consequently, it can be expected that the Atlantic Sugar Refineries will continue to reap the benefits which accrue from low prices and indications for the future look considerably brighter than they have done for a long time.

Capitalization—

	Authorized	Outstanding
Common	$3,500,000	$4,888,900
Preferred, 7%....	3,000,000	1,111,100

Shares $100 each.

Funded Debt—

First mortgage 6% bonds maturing in series to 1923,	$2,000,000	895,000
Second mortgage 6% bonds, due 1930	3,000,000	3,000,000

Dividend Record—
Preferred, initial dividend of 1¾% paid July 2, 1919; Oct., 1, 1919, to Oct. 1, 1920 inclusive, 1¾% quarterly; none since. Payments on account of accumulative pref. were made as follows: Jan. 2, April 1 and July 2, 1920, 1¾% each; Sept. 1, 1920, 28% paying off all accrued dividends to that date; Jan. 1921, dividends passed.
On common initial dividend of 2½% paid Oct. 1, 1920; none since.

Officers and Directors—
J. L. Seidensticker, president, D. Lorne McGibbon, chairman of the board, Sir T. Tait, vice-president, W. D. Ross, vice-president, Hon. W. Nesbitt, K.C., Hon. C. P. Beaubien, K.C., J. B. Coombs, Wm. Mulock, K. C., L. R. Wilson, M. E. Williams, S. J. Le Hurray, secretary, D. P. Thomas, H. W. Beauclerk, W. A. Hobbins, J. L. Counsell, K.C., M. J. Savage, treasurer, E. S. Johnston, assistant secretary-treasurer.

Profit and Loss—

	1923	1924
Profits	$1,459,982	$ 964,103
Bal. forward ..	5,094,778	4,486,383
	$3,634,796	x$3,522,280
Bond interest.	53,910	47,910
Bank interest..	466,522	384,781
Depreciation ..	302,618	304,225
Bad debts.....	30,000	......
Deficit	$4,487,846	$4,259,196

Eight Years' Earnings—

Year	Earnings	Dividends	Surplus
1917	$ 304,423	$......	$ 116,657
1918	462,676	......	323,439
1919	986,343	......	698,771
1920	2,802,910	262,500	1,106,362
1921	1,145,935	928,416	x5,188,279
1922	990,564	......	x5,060,313
1923	1,459,982	......	x4,487,846
1924	964,103	......	x4,259,196

x—Deficit.

Market Record—

	1923		1924		1925	
	H.	L.	H.	L.	H.	L.
Com.	27⅛	14½	21¾	11	37½	13
Pref.	48	34¼	51	32½	88⅞	40

Acadia Sugar

Improved Outlook With Better Prospects in the Industry

Although suffering in common with the other Canadian sugar refineries because of the conditions which have prevailed in the industry during and since the war, there was considerable improvement in the business and prospects of the Acadia Sugar Refining Company during 1924, and this has continued into 1925. This year the prevailing low prices of sugar have helped materially to better the company's position, as it does not require so large an amount of working capital to turn out the manufactured product.

The Acadia Sugar Refining Co. was incorporated in 1893 in Scotland, being a consolidation of the Nova Scotia Sugar Refinery, Halifax Sugar Refinery, and the Moncton Sugar Refinery. The Moncton refinery was destroyed by fire in 1896 and was not rebuilt. The Halifax refinery at Woodside was seriously damaged by fire in 1912, and in 1914 the company completed the erection of a modern refinery. The Nova Scotia refinery was destroyed in the Halifax explosion, but substantial recoveries were made from the relief commission and by a sale of land to Halifax Shipyards. The present maximum capacity of the plant is about 1,500,000 pounds a day. The property comprises about 170 acres with a water frontage of 1,465 feet.

Capitalization—

	Authorized	Outstdg.
Ordinary	......	$3,000,000
Pref. 6%	£ 430,000	2,000,000

Shares £1 each.

Funded Debt—

7% bonds, due 1939	$3,000,000	$1,601,000

Dividend Record—
None.

Officers and Directors—
E. J. Longard, chairman; D. R. Turnbull, managing director and secretary; J. McG. Stewart, G. W. Hensley, T. W. Garry, H. F. Stevenson, A. Henderson, J. B. Ramsay.

Profit and Loss—

	1924
Net trading profit	$618,904
Balance forward	63,154
	$682,058
Tax adjustment	3,167
Depreciation, etc.	335,380
Interest	273,419
Directors' remuneration	7,300
Balance	62,791
	$682,058

Cuban-Canadian Sugar

Improved Conditions, but Little Hope for Dividend in Near Future

There is an essential difference between the growing of sugar, which is the business of the Cuban-Canadian Sugar Company, and the business of refining the raw product. Refineries stand to lose on wide or rapid fluctuations in the market, whilst high sugar prices are favorable to producers.

The Cuban-Canadian Sugar Compay is gradually enlarging its annual crop by widening its acreage, and, in this way, is paving the way for larger earnings. However, at the present time, the sugar market is low and likely to stay low for many months—this means lower earnings for the company.

Viewed from the angle of plant efficiency and economy of operation, Cuban-Canadian Sugar was probably never in a better position than it is to-day, but, at the same time, this better position does not warrant any hope for much increase in the earnings for the current year; for, while there has been some recovery in the price of sugar since the debacle the output has been raised from 190,000 to 250,000 bags, and the operation of its own railway to its own port ensures economical transportation.

The declaration of any preferred dividends is very, very far in the future—these dividends are at present about 44 per cent. in arrears.

The company produces no refined sugar, merely the raw product. Plantation land owned outright totals some 66,000 acres. About 75 per cent. of the company's annual raw sugar consumption is supplied by farmers with whom it has contracts covering a number of years, whilst about 25 per cent., of its requirements are produced on its own land. In conjunction with its plantation and sugar factory, the company owns and operates 35 miles of standard gauge railroad, which delivers the raw sugar to the company's own seaboard port.

	Authorized	Outstanding
Pref. 8% cum.	$10,000,000	$4,000,000
Common	10,000,000	5,000,000

Funded Debt—
First mortgage 6 per cent. bonds due Dec. 31, 1937, $1,500,000; general mortgage, 6 per cent. bonds, due June 30,1936, $1,500,000.

Dividend Record—
Preferred 8 per cent. paid in 1920; none since. Common, none.

Officers and Directors—
Geo. T. Walker, president; I. W. Killam, vice-president; Victor E. Mitchell, K.C., Senator N. Curry, W. D. Ross, F. R. Taylor, K.C., V. M. Drury; F. B. Smith, secretary-treasurer, A. F. Cuben, vice-secretary.

Profit and Loss—

	1923	1924
Profits	$ 970,506	$ 786,098
Interest	235,464	216,640
	$ 735,042	$ 569,458
Depreciation	276,982	150,000
	$ 458,060	$ 419,458
Reserve	84,800	78,230
Net profit	$ 373,260	$ 341,228
Prev. bal........	x1,415,500	x1,042,241
Deficit	$1,042,240	x$ 701,013

x—Debit.

Five Years' Earnings—

Year	Earnings	Dividends	Surplus
1920	$1,109,025	.....	$ 643,068
1921	x 870,921	.....	x1,786,699
1922	595,016	.....	x1,415,500
1923	970,506	.....	x1,042,240
1924	786,098	.....	x 701,013
1925......			

x—Deficit.

Market Record—

	1923		1924		1925	
	H.	L.	H.	L.	H.	L.
Com.	13⅛	3	13	6	10	3½
Pref.	47	25	54	33	44½	25

Appo Krisp Company

Markets New Cereal Product With Promise of Wide Distribution

Appo Krisp is a recently incorporated company which was organized by a strong group of Nova Scotia business men for the purpose of manufacturing and marketing a new cereal food.

The product which the company will manufacture is made by combining wheat and apples. When the present issue of stock which the company's fiscal agents are selling is disposed of, it will net the treasury $200,000. Half of this amount will go into the erection of the plant. This will give the company $100,000, which will be used to launch the new product on the market. The company's first plant is now being erected at Middleton, N. S.

The debenture indebtedness of the company is $7,000, and was given in payment for the original patent. The company also owns the patents for all foreign countries. When this company is able to win the popular approval for this new product, sales should be large, for the product has had encouraging opinions regarding it expressed by the wholesale trade.

It is understood that little difficulty has been encountered in selling the present issue of stock. The company has the rights to a good product; its problems will, therefore, be entirely that of merchandising. Before offering the stock to the public, the directors made a careful survey of this end of the business and decided that it would be possible to sell sufficient Appo-Krisp to earn considerably more than the preferred stock dividend requirements. Leading fruit growing and business men of the Annapolis Valley are behind the enterprise. The company can utilize Nova Scotian wheat and apples in the manufacture of the cereal.

Capitalization—

	Authorized
Com. 3,000 shares (voting)	$3,000,000
Pref. 2,000 shares 8% cum. (Non-voting)	200,000

Shares $100 each.

Funded Debt—
$7,000, 5%, 5 year debenture given as part payment for patents.

Officers and Directors—
T. P. Calkin, president; Col. R. Innes, sec.-treas.; A. E. McMahon; H. H. Bligh, O. W. Graves.

Exports of Sugar

MONTREAL.—Exports of refined sugar from Canada during the month of September show a remarkable increase as compared with the same month last year. According to a report of the Bureau of Statistics, shipments during September last amounted to 23,840,200 pounds, as compared with only 832,500 pounds in September, 1924. The value also shows a corresponding increase, being $1,388,389 in September, 1925, as compared with $60,316 in the same month a year ago.

Appo Krisps — the Fruit Cereal

The Product

APPO KRISPS is the registered trade name of a ready-to-serve FRUIT CEREAL recently patented in Canada and the United States. The exclusive feature of APPO KRISPS is the blending of Apples and Wheat in the form of flakes. "Fresh Apples—Golden Wheat—Grilled together—ready-to-eat"—a combination of qualities not obtainable in any other prepared food on the market.

Significance

The whole trend of public buying for more than a generation has been definitely in the direction of prepared ready-to-eat foods. The increasing sales of these cereals have been in spite of a certain insipidity, of a definite monotony when eaten regularly, and of a deficiency in dietetic elements as well as flavor—so much so that manufacturers have spent millions of dollars to inform the public of the improvement that results when eaten in combination with fruits.

APPO KRISPS alone overcomes these handicaps, takes advantage of the opening, and offers fruit and cereal combined in a most enticing form. APPO KRISPS resemble in appearance the flakes which have proven so popular—have a very distinctive fruity tang and greatly increased food value.

"AN APPLE A DAY IN A BRAN NEW WAY"
APPO KRISPS
PATENTED 1924
THE FRUIT CEREAL
APPO KRISP, LIMITED
MIDDLETON
ANNAPOLIS VALLEY, NOVA SCOTIA
APPO KRISPS

Now you'll eat
"An Apple a Day—
in a Bran New Way"!

An Investment Opportunity

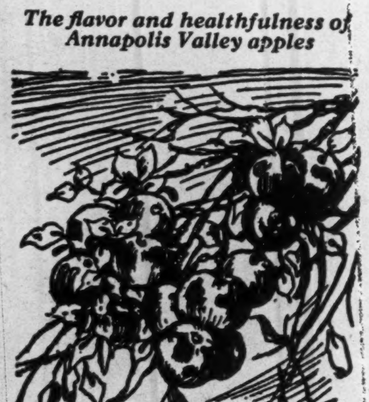
The Capital Stock of Appo Krisp Limited—the Company which owns the Canadian and United States patents covering the manufacture of flaked fruit cereals is now being offered for public subscription. The first APPO KRISPS factory is now under construction at Middleton, N.S.—in the heart of Canada's Premier Apple Growing Region.

Manufacturers of distinctive ready-to-eat cereal products enjoy consistently large profits. Think of the sales possibilities of a product possessing the exclusive features of APPO KRISPS!

For Prospectus and further information apply to

FRANK M. RUGGLES
P.O. Box 536. United Company's Bldg.
KENTVILLE, N.S.

The flavor and healthfulness of Annapolis Valley apples



OFFICERS AND BOARD OF DIRECTORS

T. P. CALKIN, President.
A. E. MacMAHON
H. H. BLIGH
HERBERT OYLER
GEORGE H. REAGH
OWEN W. GRAVES,
LT.-COL. ROBT. INNES,
Man. Director; Sec'y-Treas.
GEO. F. HUMPHREY, (Inventor of Appo Krisps), Production Manager

The body-building qualities of wheat

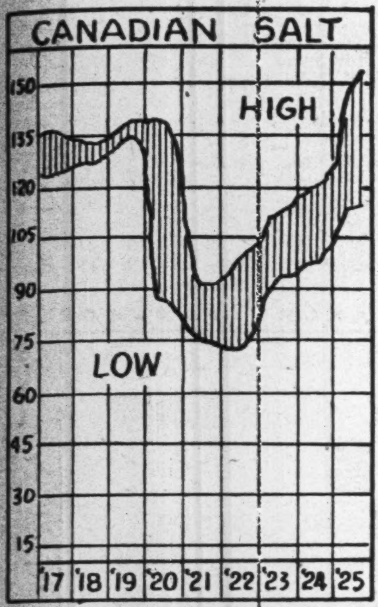
APPO KRISP LIMITED
Head Office: KENTVILLE. Factory: MIDDLETON, NOVA SCOTIA

Canadian Salt

Company Has Had Uninterrupted Dividend Record for Over 30 Years

The Canadian Salt Company has an uninterrupted dividend record of over thirty years; payments are at the rate of 8 per cent. Earnings have always been well in excess of the dividend requirements. The stock is all held closely and the recent increase in the price at which it is changing hands has led some investors to believe that possibly a bonus payment or an increase in the dividend rate will be made before long. The company has carried on its business most sucessfully for years. Its plants are located at Windsor and Sandwich, Ontario, and it ranks as the largest producer of salt, and the only producer for sale of bleaching powder and caustic soda in Canada.

The plants have a capacity for salt production greater than the combined capacity of all other salt producers in Canada. The company owns and operates the Canadian Salt Equipment Company, which was incorporated in 1923, and was formed for the purpose of purchasing and operating 25 steel tank cars for the transportation of the output of liquid chlorine. There has been hardly any variance during the last five years in the value of the products which have been sold. The company's stock is so closely held that at the end of March of this year there were but 182 stockholders holding the 12,000 common shares.



Last month the shareholders in the company authorized an issue of $1,200,000 6 per cent. first mortgage 20-years sinking fund bonds. Further bonds of this issue may be sold to the extent of 75 per cent. of the expenditure for additions to the property.

The company has $287,000 of 6 per cent. first mortgage bonds, and $638,000 of 7 per cent. general mortgage bonds outstanding. These are being called and will be replaced by the new issue.

Capitalization—

	Authorized	Outstanding
Capital stock ...	$1,500,000	$1,200,000

Funded Debt—

6 per cent. 1st mortgage sinking fund gold bonds, due September 1, 1934, interest payable 1st March, 1st Sept., redeemable at $105, $314,000; General mortgage 7 per cent. bonds due May 1, 1941, $655,000.

Dividend Record—

8 per cent. per annum payable 1st January, April, July and October.

Officers and Directors—

Sir Thos. Tait, president; W. F. Angus, vice-president; Rt.-Hon. Lord Shaughnessy, F. S. McGraw, W. Mulock, K.C., H. O. Wilson, sec., G. M. Duck, gen. mgr.

Profit and Loss—

Profits	$299,817	302,984
Bond interest	63,205	70,970
Bond discount ...	3,940	3,546
Written off	32,585	2,300
Depreciation	44,948	83,376
Income tax res. ...	15,061	15,835
Sinking fund	10,000	....
Net profit	130,078	126,957
Dividends	96,000	96,000
Surplus	34,078	30,957
Prev. bal.	249,823	283,901
	283,901	314,858

Eight Years' Earnings—

Year	Earnings	Dividends	Surplus
1917	$101,090	$ 64,000	$ 451,006
1918	223,342	64,000	523,573
1919	226,881	64,000	595,858
1920	202,298	488,000	206,841
1921	228,040	96,000	208,182
1922	284,916	96,000	249,823
1923	299,817	96,000	283,901
1924	302,984	96,000	314,858

Market Record—

	1923		1924		1925	
	H.	L.	H.	L.	H.	L.
Com.	112½	100	120	108⅛	154⅛	112

Dominion Chocolate

The Dominion Chocolate Company was incorporated in 1920 and purchased the Hooton Chocolate Company of Toronto, which was established by the Hooton Co., of Newark, N. J.

Capitalization—

	Authorized	Outstanding
Common .... (Par $25).	$1,000,000	$1,000,000
Pref. cum. 8% .. (Par $100).	1,000,000	500,000

Preferred stock was first publicly offered ($400,000) in June 1920, at par, carrying a bonus of 30% in common stock.

Dividend Record—

Preferred dividends commence to accrue from Dec. 1, 1920, and will be payable semi-annually, June and Dec. 1.

Officers and Directors—

E. B. Thompson, president; Col. S. C. Robinson, vice-pres.; J. B. Raymer, sec.-treas., D. S. Sinclair, asst. sec.-treas.; B. F. Ackerman, F. Armstrong, David Hilton, A. R. Robinson.

You, too, will say we have succeeded

MANY years ago this Institution was founded by sincerely spirited men to meet a very commanding need — the vital need of pure rich milk. And so determined were the founders of this Company to respond that they spent large sums of money providing means for care and protection hitherto unknown.

Our actual working investment in this organization, which provides a perfect distribution of pure, rich milk, has been and is many times greater than the investment of any other organization that has followed our methods.

When our original building structure was finished with its equipment complete, it was then and is to-day the greatest Dairy in this Dominion.

In the year 1900 Toronto's milk supply was practically unregulated. It was in June of the same year our organization began. Then the toll of baby lives was nearly three times as great as it is to-day.

The history of City Dairy Company is the history of a pure milk supply for the City of Toronto. Among the achievements for which our City is famous the world over, our pure milk supply stands foremost.

For many years our main dairy building has been an architectural landmark among the fine institutions of the City of Toronto. Many extensions have been made to it, and great expansion has been made in the way of other plants situated at convenient points in the vast milk producing centre of Western Ontario. Year after year our business becomes bigger, we serve more homes, and we have to extend and adequately proportion our source of supply to the increased demand. We now operate fully equipped plants on important railway lines at Woodstock, Embro, Listowel, Straffordville, Courtland and Simcoe. From these plants the milk is despatched to Toronto every morning in our own express refrigerator cars. It is under our inspection and control from our farms to your doorstep.

In the beginning our equipment was the most efficient known to science. New ideas and discoveries brought about many changes. Some methods have been improved upon several times. In this important connection we kept informed about and abreast with every advance through the years. And to-day you will find in our various plants the largest units of the most practical and scientific equipment in the world.

More important than all is experience, knowledge, sincerity and true purpose on the part of those who are associated with an organization of this character. In the process of buying it is very natural to want the highest standard, particularly if there is little, if any, difference in price. It is this inclination together with confidence that inspires the fine words you hear spoken about City Dairy Milk by City Dairy customers. Clean-flavored, pure, RICH, safe milk is what any one deserves. You should know your Milkman as you know your Doctor.

During the past years we have talked about ourselves by way of advertising. But we have never hesitated in making it plain that our steadfast progress could be traced directly to the wise judgment of mothers who buy milk. And we have learned from experience the value of approval. That an earnest effort to accomplish a real, useful service can be appreciated by a community is surely proven by the fact that we serve more homes than any individual dairy in the British Empire.

We are proud of our attainment and while presenting these facts we are confident you, too, will say we have succeeded.

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City Dairy

TORONTO

We have a Yellow Wagon on every street—every morning

Public Utilities

DETROIT UNITED WANTS $5,000,000 OF NEW CAPITAL

Statement Issued Covers Results of Operations for 6 Months to Sept. 30

From Our Own Correspondent.

MONTREAL.—A letter has been forwarded to the shareholders of the Detroit United Railway by J. W. Simard, who, until August last, was co-receiver of the company. In the letter, Mr. Simard sets forth the results of operations for the six months' period ending September 30, and also explains the reason for his resignation. The letter follows:

"Being urged by a number of the large shareholders in March last, I accepted the receivership of your company, jointly with the Security Trust Company of Detroit. It was then thought that the receivership would be of short duration, as the directors were led to believe that the shareholders would be prepared to supply the necessray funds for the payment of all the increased liabilities necessitated by new conditions, such as purchase of buses, rolling stock, etc.

"In order to become thoroughly conversant with the affairs of the company, the receivers made a careful examination of the finances and physical properties of the road. This study showed that with the then recent decrease in gross earnings, an immediate reduction in operating costs and in the service was absolutely necessary. Before, however, taking any definite action, the receivers wished to confirm their findings and arranged for the appointment of the engineering firm of A. L. Drum and Co., of Chicago, well-known throughout the United States and Canada as experts and operators in Traction companies.

"Upon Mr. Drum's confirmation, the receivers immediately decreased the service and were able to reduce the general expenses by an amount of over $150,000 a month. It was obvious, however, that operations with satisfactory profits were impossible under the existing rates and negotiations already started by the directors to arrange for increase in passenger fares were immediately pushed forward with the Public Utility Commission of Michigan. Meetings were also arranged with the cities of Flint, Pontaic, Port Huron and Ann Arbor all of which are served by the company and at the same time, negotiations were opened with the various municipalities on the Detroit-Trenton division to study the disastrous competition of jitneys and increase the passenger fare.

"The independent position of the receivers under the law of the United States had its immediate effect, and the Public Utility Commission did authorize the increase in fare with the result that the average of 2 1-3 cts. a mile per passenger was increased to 3 cents. This higher fare came into force on Aug. 12, but the receivers did not feel it necessary to take full advantage of the increase authorized, and as a result, the fares were augmented only according to the requirements of the different lines.

"Negotiations with municipal authorities were very satisfactory. The city of Flint authorized the increase of passenger fare from 5c. to 7c. for the tramway and from 7c. to 10c. for the buses.

"The city of Pontaic has also recognized the fact that the fare was not sufficient to meet the cost of operations, and this fare should be increased shortly.

"In the case of the cities of Port Huron and Ann Arbor, although the results of the negotiations are not positive, the demand of the receivers has been recognized as fair. This also applies to the towns along the Detroit-Trenton division and measures are expected to be taken shortly to reduce the competition of the jitneys.

"The receivers have also decided to discontinue service along some of the lines which had never been profitable and which show no prospect of being so in the future.

"The net results of this are shown by the net operations of the company for the three months, July, August and September, which show a net surplus of $170,000 compared with $5,000 for the three corresponding months of the previous year, and this notwithstanding the increase of fixed charges of the present year and considerable decrease in gross earnings.

"As you undoubtedly know, your company is operating 235 buses through a subsidiary company, and the result of these operations during the last six months has shown satisfactory increase.

"Notwithstanding all the above favorable factors, a careful study has shown that new funds of between $5,000,000 and $6,000,000 will be necessary during the next 18 months in order to place the company on a sound operating basis.

"This was the object of the letter addressed to the shareholders by the directors in the latter part of June last. Unfortunately, only a small response was made on the part of the shareholders and consequently the new monies required were financed through receiver certificates which hold priority over the existing bonds.

"As the bondholders felt that they should be represented in the receivership and the court considering that their claim was fair, I submitted my resignation in order that their representative might be appointed. However, I feel that my duty to the shareholders would not be fulfilled if I did not mention the importance for them to be informed about the affairs of the company during the receivership. These operations should be carefully watched, and I hope to be able to give you some report as to the details of any reorganization that may take place before very long."

OTTAWA & HULL REVENUE SMALLER

Industrial Business is Off, But Domestic Sales Much Improved

From Our Own Correspondent.

MONTREAL.—The second annual report of the Ottawa and Hull Power Company made its appearance this week. For the twelve-month period ending August 31 the gross revenues showed a slight decline as compared with the preceding year.

During the year the company's income from industrial customers took a considerable drop, but this decline was almost entirely offset by the increased demand from domestic and other users. The earnings for the year on the common stock were the equivalent of $1.32 per share; this compares with $1.28 in 1924.

This showing for the period under review, however, was modified by charges for depreciation for the period as well as income tax for 1923-24, both items being shown as deductions from surplus. The latter account, as a result of these deductions, stood at $193,199 on August 31, 1925, as against $278,305 a year previously.

The balance sheet shows a reduction in current assets and a slight increase in current liabilities, resulting in a decline in net working capital from $122,323 to $58,377. The current assets, however, do not include $75,000 of advances to subsidiary companies. The reduction in current assets was due mainly to a decline in call loans from $125,000 to $45,000.

In his remarks to shareholders, A. J. Nesbitt, president of the company, states in part as follows:

"During the year, owing to unfavorable business conditions, the revenue derived from your company's industrial customers showed a substantial decline. This, however, was more than offset by the revenue derived from your company's other customers, which include the retail distributors of light and power in the territory served by your company.

"Your company's liquid position is satisfactory. Current assets, exclusive of advances to subsidiary companies, amount to $108,635, as against accounts payable and accrued charges of $50,258.

"During the year the plant of your subsidiary, the Ottawa River Power Company, Limited, was placed in operation and is now generating approximately 25,000 horsepower."

The Income Statement

Income account figures for the year under review are compared below with those of the thirteen month period preceding:

	1924-25	1923-24
Gross rev.	$367,610	$372,141
Exp. and taxes	79,492	69,741
Gross profit	$288,118	$302,400
Bond int.	150,000	162,500
Net profit	$138,118	$139,900
Pfd. divds.	105,000	105,000
Surplus	$ 33,118	$ 34,900
Prev. surp.	278,305	243,406
Total surp.	$311,423	$278,305
Income tax (prev. year)	1,739	......
Balance	$309,684	$278,305
Depreciation res.	116,485	......
P. & L. surp.	$193,199	$278,305

Figures showing the company's working capital position as at August 31, compare as follows:—

	1925	1924
Current assets	$108,635	$170,874
Current liabilities	50,258	48,551
Net working capital	$ 58,377	$122,323

WINNIPEG ELECTRIC'S POSITION; EARNINGS IN OCTOBER ARE BETTER

(Continued from page 7)

summed up by saying that the company has been going through a transition period, turning more to power and depending less on its tramways and other services. Parenthetically, it is of interest to note that the company's experience with its tramways during these troublous years was exactly in line with the experience of all tramway operators on this continent; many of these companies were not able to pull through the hard times and went into the hands of the receiver. As far as tramways operations are concerned, the corner seems to have at last been turned, and practically all operators throughout Canada—including Winnipeg—are at last showing increased revenue.

In Power Company Class

Considered as a power company, then, the price at which Winnipeg Electric is at present changing hands is entirely out of line with producers located elsewhere. It appears very likely that the stock will shortly be on a regular four per cent. dividend basis.

The company had a harder row to hoe than most others, in that the depression probably hit Winnipeg harder than any other city on this continent.

In good times and bad, through war and peace, it has regularly paid its way and paid its interest on bonds, notes and preferred stock. To-day it faces a returning prosperity in Winnipeg and its environs. From this it would appear to be a good stock for the investor to salt away in his safety deposit box. The future of the company is bound up with the future of the city. Winnipeg was hard hit by the war, and, also, to a more limited degree, through the fact that wheat began to move over the Rocky Mountains and abroad via Vancouver. However, the majority of the crop will still continue to move through Winnipeg, as it is equipped with the railway yards and all the facilities for expeditiously weighing, testing and handling the Western crop. The Canadian West produces the finest grade of wheat in the world—it will always be in demand. It is, therefore, unthinkable that the West will not once again continue its interrupted growth.

When U. S. Takes Wheat

Another factor less directly affecting the company is that within the next few years, the U. S. will probably need to import Canadian wheat. When this occurs—and it will not be long—prosperity and immigration must increase throughout the West. This increased prosperity will be reflected eventually in the earnings of the Winnipeg Electric.

All the gossip around brokers' officers at present indicates a nice rise in the stock almost immediately; this may, and probably will, occur, for the stock is selling out of line with the other power producers. Yet, taking all the factors into consideration, this stock looks considerably better for a long hold than for any mere quick market turn.

The future possibilities of the company can be seen in its record prior to the war, when its earnings, averaged for nine years, amounted to over 15½ per cent. on the common stock. At that time, too, its earnings were mainly derived from tramways and gas operations, whereas to-day it has a much increased possible source of revenue in its power plants.

The accompanying chart shows clearly the trend of both the gross and the operating revenue during past years. The operating revenue did not rise to the same extent as the gross, as the company's fixed charges have mounted considerably since 1916. The graph shows also the upturn in gross and net for the present year.

The September earnings of the company are shown elsewhere in this issue. There is an increase in net and in gross, but the October figures will show a much larger increase.

Minnesota Commission To Hear Twin City Case

The Minnesota Railroad Warehouse Commission has informed the cities of Minneapolis and St. Paul and the Twin City Rapid Transit Company that it will be in a position to hear the testimony on the application for a higher rate of street car fare in the week of Nov. 23. The street car company has indicated that it believes its figures would show that a 6½ cent token fare, on the basis of 10 for 65 cents, with an 8-cent cash fare, would produce earnings of 7½ per cent. on the valuations which have been agreed upon. Hearing before the Commission during the period above mentioned would mean that a new rate of fare would become effective about the holiday period.

Alouette Dam Increases B.C. Electric Water Supply

VANCOUVER.—The Alouette dam which has been under construction by the B. C. Electric Railway Company for the last year will be virtually completed by the beginning of December. It will help to store up water for supplying the Stave Falls power plant and assuring a power supply throughout the winter.

By means of the Alouette dam, the water in Alouette lake will be raised 45 feet. This water will flow through the tunnel which now connects with Stave lake, helping to drive the Stave Falls plant and driving a new plant of 12,500 horsepower at the mouth of the tunnel on Stave lake, which will be constructed in 1926. The total cost of the Alouette dam will be approximately $500,000, while the whole Alouette development will represent an expenditure of $2,300,000.

JAMAICA PUBLIC SERVICE

September—	1925	1924	Inc.
Gross earn.	$48,869	$45,859	$3,009
Oper. exp. and taxes	31,494	31,483	11
Net earn.	17,374	14,376	2,997
Int. charges	6,308	6,574	*266
Bal. for res., retirements and div.	11,066	7,801	3,264
12 months end. Sept. 30—	1925	1924	Inc.
Gross earn.	607,912	571,595	36,317
Oper. exp. and taxes	393,506	387,447	6,058
Net earn.	214,406	184,148	30,258
Int. charges	80,249	77,203	3,046
Bal. for res., retirements and div.	134,157	106,944	27,213

*Decrease.

CONSUMERS' GAS CONTINUES TO SHOW GROWTH

(Continued from page 7)

of the gas industry, Mr. Hewitt made the point that only one fifth of the company's product was now used for lighting purposes, while the gas used for industrial purposes had increased from 5 per cent. to 25 per cent.

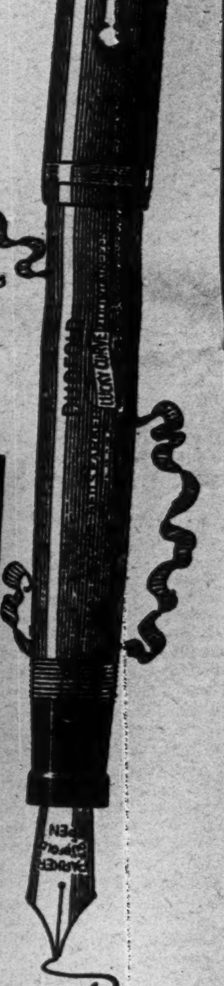
Electricity had not put the gas business "on the skids." Electricity was supreme in the field of power, and gas was in the field of heat. Gas was used in many of the big bakeries and in a host of other lines. Tenfold more gas was now used for industrial purposes in Toronto A new field had been touched in the "home-makers department," classes in gas cooking being conducted and over 5,000 women attending them.

So far as the relations between the company and the city of Toronto are concerned, Arthur Hewitt, the general manager, made it very clear that anything like a controversy regarding the auditing of the company's books would be studiously avoided so far as the company is concerned. Mr. Hewitt quoted some passages from the Fox report, showing the favorable rates the company is charging compared with other cities in Canada and the United States.

The balance sheet shows assets of $17,798,897, of which $14,978,703 is represented by real estate, plant and equipment, other investments $1,127,135, materials and supplies $847,914, cash $265,240, and accounts receivable $502,038.

PROFIT AND LOSS ACCOUNT FOR SIX YEARS

Profit and Loss—	1920	1921	1922	1923	1924	1925
Gross Income	$6,426,896	$7,214,882	$6,813,940	$6,883,358	$6,615,044	$6,623,340
Operating Expenses	5,186,622	5,673,949	5,335,666	5,498,649	5,212,504	5,072,421
Net Income	$1,240,274	$1,540,933	$1,478,274	$1,384,704	$1,402,540	$1,550,924
Other Income	......	......	......	......	40,290	32,209
	$1,240,274	$1,540,933	$1,478,274	$1,384,704	$1,442,830	$1,583,133
Special Surplus	......	......	......	......	......	226,030
	$1,240,274	$1,540,933	$1,478,274	$1,384,704	$1,442,830	$1,809,163
Interest	60,592	63,022	51,516	8,586	......	......
Plant Renewal	513,903	543,584	565,539	591,002	634,235	710,280
Dividends	536,070	581,338	600,000	689,253	798,740	895,176
Surplus	129,709	352,989	261,218	95,862	9,855	203,707
	$1,240,274	$1,540,933	$1,478,274	$1,384,704	$1,442,830	$1,809,163



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Made in Canada—Same Price as in the States

Your Handwriting is Your "Proxy"

Your Personal Representative—it proclaims you to the world

Let it create the right kind of impression

ARE you aware that many concerns employ trained graphologists to analyze handwriting? Thus they judge employes and applicants for work, all the way from minor jobs to high executive positions.

For that matter, hardly anyone sees handwriting without passing some kind of judgment. Yes, wherever your handwriting goes it proclaims you.

It can have character, interest, personality. Or it can count for nothing, or count against you. And the pen that you use makes a vast difference which.

A good pen, whatever its price, is worth far more than you pay if it aids your career. That's why so many people are replacing their cheap pens with this super-writer—the Parker Duofold.

Hand-size Grip, Over-size Ink Capacity, Invisible Filler, Free-Swinging Balance, and Soft-Writing, 25-year Point—it gives the hand the speed and character that win with the world. Step to the nearest Pen Counter and choose your point—Extra-fine, Fine, Medium, Broad, Stub or Oblique.

Duofold Pencils to match the Pens:
Lady, $3; Over-size Jr., $3.50; "Big Brother" Over-size, $4

Parker Lucky Curve Duofold With The 25 Year Point Over-size $7
Duofold Jr. $5 Intermediate size
Lady Duofold $5 With ring for chatelaine

Plain Black and Gold or Black-tipped Lacquer-red

THE PARKER FOUNTAIN PEN COMPANY, LIMITED, TORONTO, ONTARIO

Return of the Chartered Banks of the Dominion of Canada, September 30, 1925

Made to the Minister of Finance in conformity with Section 112 of the Bank Act, Chapter 32, of The Statutes of 1923

LIABILITIES

NAME OF BANK	Notes in Circulation	Due to Dominion Government	Advances under Finance Act	Due to Provincial Gov'nm'ts	Demand Deposits in Canada	Notice Deposits in Canada	Deposits elsewhere	Bal. due to other Banks in Canada	Due to Banks in U.K.	Due to Banks elsewhere	Bills Payable
	$	$	$	$	$	$	$	$	$	$	$
Montreal	43,643,149	20,924,709	....	3,966,659	153,213,144	360,453,166	79,886,114	2,411,307	1,107,564	3,375,030	361,997
Nova Scotia	14,071,534	3,104,612	....	1,022,421	34,066,861	114,767,277	34,441,381	1,477,943	221,287	1,424,034	413,881
Toronto	7,366,061	238,707	....	160,319	33,443,520	51,262,457	....	1,330,723	323,789	1,175,050	....
Provinciale	3,807,873	198,633	....	186,077	5,207,431	29,209,708	....	1,208	....	2,402	....
Commerce	26,470,352	4,531,547	1,000,000	4,914,325	123,944,864	207,666,832	45,304,458	1,466,796	629,055	9,295,893	2,694,261
Royal	38,352,654	4,557,380	7,000,000	6,251,081	139,740,819	256,746,576	186,318,658	1,917,546	359,498	14,955,317	6,214,903
Dominion	6,832,537	1,398,920	1,000,000	150,472	27,507,595	58,226,661	2,030,156	2,068,818	84,380	1,160,724	89,056
Standard	6,254,050	3,947,264	2,200,000	356,064	22,209,944	46,987,636	....	2,445,798	442,514	913,766	468
Nationale	12,537,269	959,750	....	1,350,805	18,939,712	78,694,591	2,250,820	2,333	143,156	441,641	....
Imperial	9,858,152	954,124	....	2,790,409	29,717,990	62,684,120	....	1,335,596	13,168	429,737	....
Weyburn Security	886,407	67,072	....	32,446	1,954,226	1,855,073	....	....	....	19,384	....
Total	170,080,038	40,882,718	11,200,000	21,181,078	589,946,106	1,268,554,097	350,231,587	14,458,068	3,324,441	33,192,978	9,774,566

NAME OF BANK	Letters of Credit	Other Liabilities	Dividends Declared & unpaid	Reserve Fund	Capital paid up	Total Liabilities	Capital authorized	% last dividend	Loans to Directors	Average gold and coin held	Average Dominion notes held	Greatest amount notes in circ.
	$	$	$	$	$	$	$	%	$	$	$	$
Montreal	11,211,937	652,829	29,847	29,916,700	29,916,700	741,070,859	31,175,000	12	951,974	15,286,830	48,595,636	44,986,165
Nova Scotia	5,246,822	32,785	395,428	19,500,000	10,000,000	240,186,272	15,000,000	16	1,419,385	9,327,635	9,222,386	14,451,218
Toronto	1,063,930	....	3,101	6,000,000	5,000,000	107,367,660	10,000,000	12	781,855	452,708	5,924,077	7,367,475
Provinciale	....	39,855	6,538	1,500,000	3,000,000	43,159,729	5,000,000	9	....	162,340	291,521	3,926,823
Commerce	12,077,308	....	18,165	20,000,000	20,000,000	480,013,862	25,000,000	12	4,976,272	13,861,000	21,213,000	26,658,900
Royal	28,436,728	....	43,298	24,400,000	24,400,000	739,694,465	30,000,000	12	1,336,056	12,195,209	19,573,025	38,352,654
Dominion	2,771,425	535,861	180,236	7,000,000	6,000,000	117,036,846	10,000,000	12	762,335	2,132,000	4,606,000	7,253,189
Standard	382,215	169,000	2,501	2,900,000	4,823,400	94,034,654	5,000,000	12	666,505	858,243	2,994,785	6,278,880
Nationale	710,743	....	6,310	5,500,000	5,500,000	127,037,135	10,000,000	10	101,226	904,935	2,692,419	13,050,944
Imperial	555,124	....	2,785	7,500,000	7,000,000	122,841,210	10,000,000	12	221,847	1,078,614	6,922,369	10,258,693
Weyburn Security	....	31,336	13,514	225,000	524,560	5,609,021	1,000,000	5	100,952	22,765	54,288	886,407
Total	62,456,232	1,461,666	701,723	124,441,700	116,164,660	2,818,051,713	152,175,000	......	11,318,407	56,282,279	122,089,506	173,471,348

ASSETS

NAME OF BANK	Current Gold and Subsidiary Coin	Dominion Notes	Notes of other banks	United States and other foreign currencies	Cheques on other banks	Balances due from banks in Canada	Due from banks elsewhere	Government securities	Canadian municipal British and foreign Securities	Railway and other bonds and stock	Call loans in Canada	Call loans elsewhere
	$	$	$	$	$	$	$	$	$	$	$	$
Montreal*	19,596,076	47,423,648	3,722,926	796,804	43,511,725	....	14,846,127	92,126,585	38,797,743	3,630,733	9,521,148	148,393,226
Nova Scotia	9,374,463	9,509,849	993,528	2,146,139	11,646,386	....	2,543,087	32,049,527	11,336,432	14,459,129	18,869,200	16,721,995
Toronto	455,145	7,198,878	448,080	132,542	6,080,408	....	2,771,932	20,537,317	7,807,576	3,187,648	10,391,895	....
Provinciale	166,953	291,570	559,845	70,192	1,566,968	3,263,128	322,008	5,372,613	1,265,773	1,905,532	8,429,113	....
Commerce	9,684,598	15,504,859	2,046,252	1,724,929	28,066,013	794	15,063,571	59,069,079	25,470,040	7,565,724	20,544,893	20,973,185
Royal†	12,532,924	23,720,940	3,521,657	19,490,338	43,832,035	320	22,180,290	93,349,056	29,778,938	19,292,076	21,282,218	50,294,486
Dominion	2,161,969	4,941,432	766,375	170,312	6,223,535	3,009	1,521,304	15,841,997	6,009,676	2,366,152	8,968,060	3,942,313
Standard	882,777	3,480,726	491,265	72,671	10,282,144	....	1,355,777	12,983,599	3,380,648	1,620,103	9,326,562	....
Nationale§	984,980	3,432,136	1,234,895	188,218	4,994,558	586,843	1,428,921	20,538,956	10,421,379	1,375,556	6,568,258	....
Imperial	1,053,867	7,785,508	850,993	281,354	6,922,250	684,356	677,690	15,624,871	5,940,144	87,535	5,828,686	10,500,000
Weyburn Security	21,106	54,617	34,610	2,238	54,672	967,612	67,754	453,781	9,314	209,342	....	....
Total	56,924,858	123,344,163	14,670,426	25,075,737	163,180,541	5,506,062	62,808,461	367,947,381	140,217,663	55,699,530	119,730,033	250,825,205

NAME OF BANK	Other current loans in Canada	Other current loans elsewhere	Loans to Municipalities and to provinces	Non-current loans	Real estate other than premises	Mortgages on real estate	Bank premises	Letters of Credit	Deposit for note circulation	In central gold reserves **	Shares of and loans to controlled companies	Other assets	Total Assets
	$	$	$	$	$	$	$	$	$	$	$	$	$
Montreal*	216,539,108	31,465,682	24,399,924	2,833,735	966,539	1,158,572	12,400,000	11,211,937	1,282,241	17,000,000	1,471,227	805,004	743,904,566
Nova Scotia	69,409,456	16,596,046	6,879,362	564,525	89,629	92,889	7,557,016	5,246,822	470,291	4,500,000	....	166,562	241,222,342
Toronto	39,761,827	....	3,214,583	225,386	....	62,542	3,550,679	1,063,930	249,267	2,555,866	....	....	109,695,510
Provinciale	15,514,370	....	1,246,529	195,424	201,829	102,754	1,696,728	....	155,800	700,000	....	230,038	43,257,174
Commerce	176,869,254	31,982,524	28,719,970	2,509,864	2,372,266	650,598	11,724,179	12,077,308	1,000,000	8,500,000	1,627,424	600,291	484,377,627
Royal†	182,537,900	140,034,889	11,621,916	2,625,961	2,544,812	1,032,177	16,074,461	28,436,728	1,440,000	14,500,000	2,584,803	516,277	743,225,211
Dominion	52,595,588	1,143,900	743,063	357,100	77,407	20,240	6,046,561	2,771,425	312,325	900,000	....	231,963	118,117,714
Standard	41,179,105	....	2,561,404	747,848	279,225	191,118	3,757,916	382,215	258,000	1,200,000	....	100,239	94,533,349
Nationale§	57,976,526	942,349	1,454,398	261,676	1,471,892	856,174	5,301,511	710,743	283,419	7,000,000	....	150,817	128,164,216
Imperial	48,826,339	2,198,738	5,907,618	389,874	642,893	380,529	5,043,153	555,124	320,622	3,504,466	....	578,048	124,594,668
Weyburn Security	2,508,263	....	108,628	115,203	173,205	90,135	234,488	....	26,731	400,000	....	77,317	5,609,021
Total	903,717,736	224,364,128	86,857,395	10,826,596	8,819,697	4,637,728	73,386,692	62,456,232	5,798,696	60,760,332	5,683,454	3,462,556	2,836,701,983

**Of this deposit, $10,510,333 is in gold coin; the balance is in Dominion notes.

*The business of the bank in Paris, France, and in San Francisco, U.S.A., is carried on under the name of local incorporated companies and the figures are incorporated in the above statement.—Footnote to Bank of Montreal return.

†The Royal Bank of Canada (France) has been incorporated under the laws of France to conduct the business of the bank in Paris. As the entire capital stock of the Royal Bank in Canada (France) is owned by the Royal Bank of Canada, the assets and liabilities of the former are included in the above return.—Footnote to Royal Bank return.

§The assets and liabilities of the Banque Canadienne Nationale, France, same being considered a branch operating as a subsidiary of the Banque Canadienne Nationale are included in above return.—Footnote to Banque Canadienne Nationale return.

DEPARTMENT OF FINANCE, OTTAWA, NOVEMBER 12, 1925.

Canada Needs Leadership in Bold Foward Policy

Some Practical Western Ideas on the Solution of the Immigration and Other National Problems Being Faced To-day

By JOHN M. IMRIE,

President Edmonton Board of Trade, before the conference of Boards of Trade at Winnipeg.

Canada's greatest need is adequate leadership in analyzing her present position, problems and opportunities and in evolving and carrying through the courageous, constructive "Canada Forward" policy which such analysis would show to be abundantly justified.

That statement holds good to-day. No other country has quite as good cause for looking forward with hope and confidence to its future development. None other has better reason for taking immediate steps towards the early realization of its possibilities. But there is lacking the dynamic of a definite forward program that would appeal to the imagination as well as the common sense of our people, and, in its absence, more attention is being paid to the discouraging factors in our national situation than to those that give sure ground for confidence and progress.

The tendency towards sectionalism and disunity that is the most threatening of these discouraging factors is no new thing in Canadian public affairs. In every previous depression there has been a new accentuation of territorial interests and territorial rights; an emphasis on the difference in interest of different parts of Canada rather than on the broad community of interest over all.

The National Policy

In the first depression after Confederation a reaction towards sectionalism and the depression itself were met by a new national policy. Opinion may and does differ as to the principles on which that policy was based. The important point for to-day is that, in a time of depression and tendency towards sectionalism, public men had the vision and the courage to plan and to carry out a new bold national policy based upon their conception of the conditions and needs of the day.

Twenty years later, another period of depression was met by another national stocktaking, out of which there evolved an energetic policy of immigration. Two million people were brought to Canada within twelve years, and, during that period, Canada enjoyed an unprecedented measure of prosperity, industrially and agriculturally. It is true that many mistakes were made, but no one would think for a moment of removing from the record of Canada's progress and development the net results of that period.

To-day, Canada is facing another series of new and difficult conditions. These are due in part to changes in the world situation; in part to financial and other war burdens; in part to over-expansion in government and transportation services.

Every part of Canada is feeling the burden of these conditions. Each part feels most keenly the burden on itself and considers its own burden larger than its share.

A New Policy Needed

The time is fully ripe for a broad-visioned and courageous policy soundly based on present conditions and opportunities—one that would give new ground for hope and confidence, quicken anew our national spirit, unite our people in a common endeavor, stimulate new enterprise and sound development, and bring about another period of prosperity and substantial progress.

Such a policy would have to be a composite of several elements. But one of its chief features would be directed to the early systematic and intensive colonization of our vacant lands through selected immigration and the repatriation of former Canadians and their descendants now living in other countries. Nothing else would serve so quickly and so effectively to restore the confidence of our own people and the confidence in Canada of the people of other countries.

The great tragedy of Canadian development is that with a country so vast and with such a wealth and variety of natural resources our population is still only 9,000,000, while approximately the same number of former Canadians and their descendants are living in the United States, and the immigration of recent years is barely sufficient to cover the emigration. Such a situation is all the more tragic because a steady increase in population is the most certain preventative of that tendency towards sectionalism to which the geography of Canada is otherwise a constant invitation.

This question of population—particularly population on the farms—is related directly to most of the economic problems Canada to-day faces.

What are our chief economic problems?

Population Main Solution

Are they not a huge debt, a high tax levy, high freight rates on many commodities, a heavy annual deficit on our national railways, high cost of manufacturing and distribution, drift of population to United States, sectional differences, isolation of rural settlement and inadequate educational, road and other services in the newer parts of our country? Every one of these problems arises in large measure from the scattering of 9,000,000 people over an area that could and should sustain many times that number. Unquestionably the financial cost of the war and certain mistakes in development policies are among other contributing factors, but the burden of these also would be immeasurably lightened if equally distributed over two or three times our present population.

It was to provide for such an increase in population that present systems of government and transportation service were established. This was to have been Canada's century, even as the previous one had been that of the United States. But the flow of immigration, after reaching a high mark of over 400,000 in the fiscal year of 1913-14, came to a sudden stop when the war began. That flow has not been restarted in any considerable volume. To-day we have scattered from Halifax to Victoria a population equal to what the United States had when her people were concentrated within 600 miles of the Atlantic seaboard. These 9,000,000 have on their hands a national plant that was deliberately expanded to its present proportions in anticipation of a population of at least 15,000,000 or 20,000,000. To the excessive per capita overhead thus created has been added the financial burden of the war.

It was never intended that 9,000,000 people should bear our present national burden. They cannot continue to do so except at a cost that must greatly retard personal and group initiative and enterprise.

The chief remedy for such a situation is the building up of permanent population to the point at which it could reasonably support present systems of government and transportation, carry the burden of war, and other debts, and provide a variety of factional interests, opportunity and employment.

Immigration is Available

That is our need; what of the prospects?

Several recent developments combine to make this a most opportune time for launching a vigorous, courageous colonization policy.

First among these is the recurrence of world forces favorable to agriculture. This has improved already the position and prospects of agriculturists already here and has made farming more attractive to others.

In the United Kingdom the pressure of population and the growth of unemployment have led many to contemplate emigration and the state to offer financial aid in emigration to overseas dominions. There is no doubt that if Canada is prepared to meet the financial and other requirements of the situation there, we can secure from this source a large supply of people possessing adaptability for farm life, although without sufficient capital to purchase land and equipment.

In Continental Europe the great war and its aftermath have caused a new turning of eyes to the democracies of this continent. The United States, having attained a population of 112,000,000, has fixed quotas of maximum immigration from various countries, which in many cases are much below actual immigration of recent years. Several European countries have prohibited the emigration of their people, but other countries provide a substantial reservoir of potential desirable farm settlers under an adequate colonization policy.

Even in the United States itself, forces favoring emigration to Canada are at work. In the recent federal election campaign there, extensive use was made of reports of the tariff commission of the United States, showing agricultural production costs and freight rates on grain from farm to seaboard to be much lower in Canada than in the neighboring republic. This made a deep impression upon farmers south of the line.

Coincident with this there has been renewed activity in the farm real estate market in the United States, thus facilitating the sale of their present holdings by farmers there who might be persuaded to consider emigration to Canada. Competent authorities report the sale of farm lands in the United States as having increased 42 per cent. in 1924 over 1923, and forecast a further increase of from 40 to 50 per cent. in 1925 over 1924.

Policy Must be Bold

Whether Canada will be able to take full advantage of these prospects and opportunities will depend largely upon the vision, the faith, and the courage of her people in framing a new immigration and colonization policy.

What I am about to say regarding methods does not represent my own views alone. It is rather a crystalizing of opinion after consultation with many earnest Canadians who have given much thought to this question.

The first essential is that the policy be big enough, courageous enough—if you will, bold enough—to make it abundantly clear to our own people and to the world, that it is a new, a serious, a determined and a statesmanlike endeavor to colonize our vacant lands as they could be and should be colonized. Partly for the effect upon our own people and the world, and partly because desired results cannot be secured otherwise, there must be associated with it provisions for working capital and for administration expenses away beyond anything heretofore appropriated.

Colonization the Idea

A second essential is that emphasis be placed upon colonization rather than mere immigration. Initial effort should be concentrated upon agriculturalists and others willing to go on the land and likely to make a success there. It would be useless to stimulate immigration to our cities until the more intensive settlement of our land and the further development of manufacturing and trade have created a larger measure of industrial and clerical employment and professional opportunity.

Those who are brought to this country for land settlement should be aided in securing suitable locations, in learning Canadian methods of agriculture and marketing, and, generally, in becoming assimilated in our national life.

Canada must not continue to be a stepping stone for immigration to the United States. There has been too much of this in the past. Statistics recently secured from Ottawa show that homestead and pre-emption entries to date in Manitoba, Saskatchewan and Alberta total 691,770, exclusive of military homesteads. Of these, no less than 307,700, or 45 per cent., have been cancelled already. In some cases cancellation was followed by re-location, but these were comparatively few.

These figures represent a tremendous waste in actual money and in human energy. They reflect also discouragement and adverse criticism that has been very harmful to Canada.

Some misfits and some mistakes in locations are inevitable under any policy. But to reduce these to the minimum, the new policy should include selection in country of origin, location in groups on selected land and assistance and supervision by field men after locatin.

In the matter of location the general policy should be, as Premier Greenfield and others have so aptly put it, to "thicken up" existing settlements where railways, roads and other public services are already established. These areas should be carefully selected after adequate examination of soil and climatic conditions, availability of water supply, etc.

Financial Aid to Settlers

If Canada is to colonize her vacant lands as quickly and as intensively as our present national situation demands, a third essential in this new policy will be loans to desirable persons who have insufficient capital to purchase land and equipment and get properly started under present conditions.

There are no longer available, except in isolated cases, the free homesteads, long-term credits on farm implements and supplies and part time employment on new railroad construction which faciliated land settlement during the decade preceding the war by people with comparatively little capital.

Every effort should be made to secure the largest possible proportion of those who are in a position to establish themselves, but there should be the machinery for assisting other desirable potential settlers to buy land on long-term payments at reasonable interest rates, and without repayment of principal or interest during the first two or three years. The security for these advances would be the land itself, which would steadily increase in value with the improvements erected thereon, and with the growth of surrounding settlement.

This principle is incorporated in the agreement already signed by the Canadian government under which 3,000 British families are to be settled on farms in Canada under the Overseas Settlement Act. Under this act the Imperial government has appropriated $15,000,000 annually for fifteen years against equal advances by overseas dominions. This at the stated maximum of $1,500 per family reprepresents potential immigration of 10,000 families per year, financed equally by the Imperial and the overseas governments. With reasonable restrictions as to physical condition, character and adaptability, Canada could well aford to enter into this arrangement on a very much larger scale.

Another precedent is the policy under which much of the railroad mileage in Canada was constructed. Public credit, both federal and provincial, was pledged freely to permit of such construction on borrowed capital at comparatively low interest rates. The success of many railroads thus aided, constructed as they were under individual charters, depended largely upon the settlement and productivity of the land in the areas they served. If it was sound to pledge public credit under these circumstances, is it not equally sound to pledge public credit on the security of the land itself to facilitate purchase of it at low carrying charges by those who are prepared to develop it, and make traffic for existing railroads and widen the general taxation base?

Suppose a total of $250,000,000 was loaned in average amounts of $1,500. This would permit of aid to 165,000 new farm families representing new population of 825,000, and provide opportunities for livelihood for an equal number in our cities, towns and villages. Suppose, for the sake of illustration, $1 out of every $4 were lost absolutely and permanently. The total loss would be approximately the deficit on the C. N. R. for one year. The main hope of wiping out that deficit lies in increased traffic due to increased population. Apart from this, an increase of 165,000 in our productive farm units and the resultant increase in urban population would mean a reduction of $50 in our net federal debt per capita and other relatively high reductions in provincial and municipal per capita debt in per capita taxation of various kinds.

No one is more opposed than I to government paternalism. But it is a case of choosing between two evils. Our present national situation is unbearable permanently. Its main solution is increased population. Under present conditions this cannot be secured in the necessary quantities without financial aid to settlers. To solve our other problems I am ready to incur such risk of paternalism and financial loss as is involved in the method I now propose.

Appeal to Both Races

The fourth essential to the success of this new policy is that it should have approximately the same appeal to the two great races from which our population is primarily drawn. In previous immigration and colonization effort, and in recent discussion of the need of renewed effort, perhaps too much emphasis has been paid to the need of assimilation with the English-speaking section of our population. Let us in this new and bigger effort consider the great French-speaking section as well. Let us seek to draw to this country people whose national and personal characteristics would facilitate their assimilation with our French-speaking people as well as those capable of easy assimilation with our English-speaking people. Let us make a special effort to bring about the repatriation of a goodly portion of that vast number of French-Canadians and their descendants now living in the New England and Atlantic states. On this basis there should be no racial or territorial conflict on the question of the desirability of an aggressive immigration and colonization policy.

An Independent Commission

The last essential to which I will refer is that when the character of policy has been finally approved by the government, it be administed by a commission composed of some of the ablest men in Canada who have given unquestionable evidence of their organizing, promotional and executive ability, and their fitness by experience and temperament for such work. Such men, I believe, would serve without salary, out of a keen sense of national duty.

An independent commission would stand between the federal government and those to whom loans were made. It would be free to exercise its own business discretion, subject only to the limitations imposed by the policy as approved by parliament. In this way the risk of paternalism and of loss in loans would be reduced to a minimum.

Administration by such a commission would obviate largely the difficulties that might arise through conflict of opinion for political or other reasons between the federal government of the day and concurrent provincial governments. It would be composed of men of various faiths. It would be devoid of political interest. Its only object would be the development of Canada through effective colonization.

Such men, given the administration of such a policy, given also as free a hand as is possible under our system of responsible government, applying to the problem the business acumen and initiative that has made them successful in private enterprise, would produce results that would soon bring about a marked change in Canada's economic position.

B. C. LUMBER EXPORTS

VICTORIA.—The lumber industries of this province are now sending spruce to Boston and New York, fir to Florida and Cuba, all new markets created within the last few months. Demand of lumber from regular fir markets at New York and other Atlantic ports, Great Britain, Asia, Australia and South Africa continues a little better than normal.

The Consolidated Mining and Smelting Co. reports ore receipts at Trail Smelter for the first week of November amounting to 11,209 tons, and for the year to date 340,986 tons.

NEW ISSUE

$350,000

Bruck Silk Mills Limited

6½% First Mortgage Sinking Fund Gold Bonds

Dated Nov. 1st, 1925 Due Nov. 1st, 1945

Principal and semi-annual interest (May 1st and Nov. 1st) payable at the holder's option in gold at the Royal Bank of Canada, Montreal, or at the Agency of the Royal Bank of Canada in New York City. Redeemable in whole or in part on any interest date on sixty days' notice at 105 and accrued interest, commencing Nov. 1st, 1927, less ¼ of 1% every year thereafter. Coupon Bonds in denominations of $1,000, $500 and $100 with privilege of registration as to principal.

TRUSTEE: MONTREAL TRUST COMPANY, MONTREAL

CAPITALIZATION

	Authorized	Issued
First Mortgage Sinking Funds Gold Bonds (This Issue)	$1,000,000	$350,000
Common Stock Shares of no par value	25,000 shs.	25,000 shs.

THE COMPANY: The Bruck Silk Mills Limited, incorporated under the laws of the Dominion of Canada on Dec. 1st, 1921, operate at Cowansville, Quebec, an extensive modern plant for the manufacture and finishing of broad silks. Their goods are produced complete from the raw material, in pure silk, artificial silk and mixed silk goods. This is the only organization in Canada producing the finished goods from the raw material in their own establishment. The plant has been in continuous operation twenty-four hours per day from its inception.

MILL PROPERTY: The mill property at Cowansville consists of approximately 16 acres of land on which there are now erected ten buildings, leaving ample land for future expansion. The property is served by a spur track of the Canadian Pacific Railway, giving it ideal transportation facilities for handling raw materials and finished goods. Complete modern machinery and equipment for producing the Company's product has been installed in the mill.

MARKET: The consumption in Canada alone of the products of the Company is far in excess of the supply. Approximately $30,000,000 worth of various silk goods are imported annually into Canada. Beside this Canadian demand the Company exports to other British possessions. With continual expansions of manufacturing facilities and day and night operation, the Company has never been able to supply the profitable demand for its goods.

SECURITY: This issue is secured by a first mortgage on all the real and immoveable assets of the Company now owned or hereafter acquired and a floating charge on all other assets of the Company, present and future. Total assets as at Oct. 15th, 1925, after proposed financing as certified by Macintosh, Cole and Robertson, chartered accountants, amount to $956,080.31. Further bonds may be issued only to the extent of 66⅔% of the cost of additions or extensions and only when the net earnings for the previous fiscal year, after deducting maintenance, renewals and sinking fund, amount to not less than twice the interest charge on the bonds issued and to be issued.

EARNINGS: Net earnings available for bond interest on this issue from the beginning of operation in 1922 have been in excess of 3 times the interest requirements of this issue; for the current year from Jan. 1st to October 15th, as certified by Macintosh, Cole & Robertson, chartered accountants,

amounted to	$67,334
Estimated earnings for remaining two-and-a-half months	27,719
Or total earnings for the year	95,053

Annual interest charges of this issue amount to $22,750. Current earnings are therefore at the rate of 4¼ times the interest requirements.

As production will be greatly increased, due to immediate extensions, the earnings of the Company after this financing are estimated for 1926 at $120,000 or 5¼ times the interest requirements of this issue.

MANAGEMENT AND PLANT OPERATION: The management is in the hands of the men who have devoted a great many years to the successful operation of the silk manufacturing business in the United States, and who have made this Company a profitable and rapidly growing organization from its start in Canada. No change will be made in the executive or employees of the organization, other than the needed increase in personnel to take care of the constantly expanding volume of business.

PURPOSE OF ISSUE: Purpose of this issue is to retire $200,000 7% First Mortgage Bonds now outstanding and to provide additional buildings and machinery for necessary immediate expansion.

SINKING FUND: The mortgage securing this issue provides for an annual sinking fund of 2% commencing Nov. 1st, 1927, sufficient to retire 30% of the issue at maturity.

APPRAISAL AND LEGAL: The Company's land and buildings have been appraised by the Canadian Appraisal Company of Montreal. Legal details of the formation of the Company and the issuance of these bonds have been passed upon by Messrs. Brown, Montgomery & McMichael and Messrs. Foster, Mann, Place, Mackinnon, Hackett & Mulvena, of Montreal. Auditors, Messrs. Macintosh, Cole & Robertson, Montreal.

We offer these Bonds, as, if, and when issued, and subject to favorable opinion of our Counsel.

PRICE: 100 and Accrued Interest, to Yield 6½%

(Carrying a bonus of 4 shares of common stock of no par value with each $1,000 Bond.)

Orders may be telephoned or telegraphed at our expense.

WILLIAMS, PARTRIDGE & HODGSON
LIMITED
171 ST. JAMES STREET, MONTREAL

The statements in this advertisement are not guaranteed but are based on the information which we believe reliable, and on which we acted in purchasing these securities.

Big Opportunities for Trade in the Pacific

A Vast Field for Commercial Enterprise Which Has Been Comparatively Neglected in Developing Markets

By JOHN NELSON,

From His Address on the Pacific Conference, delivered to the Empire Club of Toronto.

To most of us, the Pacific is a little known ocean. It is huge, equalling the whole land surface of the globe, remote, and lonely.

If Robert Dollar were here he would tell you that although he is over eighty, he expects in the remaining 25 years of his life to see the primacy of the sea transferred from the Atlantic to the Pacific. Already San Francisco is third in tonnage among the world's ports, and Shanghai and Vancouver are bidding for supremacy.

Canada has been slow to appreciate the change for several reasons. One reason is that though she has 500 miles of seaboard on the Pacific—the only frontage of Britain on that sea in North America, her population there is relatively sparse, and freight rates high.

But there is another and deeper reason. We inherit and share the language and culture of Europe. That of Asia is alien to us. Hence our Asiatic problem is the converse of our European one. We want immigrants from Europe. We don't want them from Asia. We spend millions to attracts settlers from across the Atlantic; we have collected millions in head taxes to keep out those from across the Pacific.

That is reacting on us now. Europe, broken, and almost bankrupt has fallen low as both producer and purchaser of our goods. Asia is a rapidly growing outlet for our wares. And while the best states in Europe are trying to prevent us attracting their people, those of Asia are deeply resentful because we exclude theirs. And those irritations have greatly complicated our task in building up trade with the Far East. So Japan is nervous; China boycotts us, and in the States they talk war. Six out of ten coast residents will tell you that war with Japan must come.

Certain impressions stand out clearly. Our immigration policies may have been necessary. But obviously they have been offensive. Japan and China have common complaint there. We from Canada tried to explain the necessity for such laws—our national youth, our dual racial stock, the difficulty of absorbing immigrants from southern Europe, our wide obstinate spaces, our scattered people, our heavy overhead for roads and railways supported by a small population, the non-assimilability of the Asiatic, his impingment on one sparsely populated corner of our territory, the dangerous disproportion of Caucasian and Oriental there, the saturation and hence the danger point which we felt had been reached. But we told how we had tried to act courteously with Japan, in our gentleman's agreement, and Dr. Saganayika, of the Jananese House of Peers, was good enough to express Japanese appreciation of that courtesy.

Some interesting basic principles were developed in this discussion. On our part we held the sovereign right of any state to take such steps as it feels necessary to preserve its type of civilization and of citizenship. On the part of the Orientals the challenge of the moral right of any people, on the ground of its own pre-occupancy to debar from its vacant land less fortunate people who have a scant hold on our common earth. Dr. Taganayika went further and advanced the inherent right of all men to change their place of residence, or their allegiance—a right by the way which is plainly expressed in a treaty between the States and China made in 1868. He admitted that that claim should be qualified. But so, he held, should that of absolute sovereign right of exclusion, just as the eighteenth century conception of the inviolability of private property rights had been modified. But he pleaded for a new and common standard governing immigration from which racial objections should be removed, and which should be based solely on individual qualities and merits—health, intelligence, morality, thrift. I commend to this club serious consideration to that proposition for I feel sure it will be heard of later when we come to closer grips on this racial matter.

Back of this common resentment against our immigration laws lie in the case of both Japan and China other things, which they also hold in common. One is a new distrust of our civilization. The war has done much to bring this about. They doubt whether our culture, with its deification of material success, its worship of the machine, its slavery to speed, and comfort holds in it much that will minister to the Oriental with his reflective philosophies and his culture of the spirit. They are turning back on their own past, and a revaluation of their own ancient culture. "China was there, old and splendid," said Tsurumi, son-in-law of Viscount Goto, "when Rome was a cluster of hovels on the banks of the Tiber; Japan's ancient capital was laid out by skilled engineers, while London was still a few huts in the marshes of the Thames." Civilization, he said, was not yet typified in a man with a telephone at his ear and wearing a top hat.

Japan has been made super-sensitive because of a sense of insecurity. Her limited arable area; her destiny of population, the growth of that population, her emergence from a pastoral people in one generation of 30 millions to one of 60 millions increasing at the rate of 600,000 a year is disturbing her. For her surplus population she must have emigration or employment through industrialization. The former is made impossible by our laws; the latter by circumstances. For she is impoverished in raw materials and must seek these on the adjacent Asian mainland. Moreover millions of newly enfranchised and radical voters are about to register their decree and Japan knowing that a few major mistakes in policy would be fatal to her, awaits the outcome with deep anxiety.

If Japan suffers from a feeling of insecurity, China broods over a sense of injustice. Prominent among these are matters that vitally concern our Empire. China wants extra territorial rights abrogated, with its right of foreigners to set up their own courts. It makes no difference that she once welcomed these things. She now demands that they be cancelled.

She wants the unequal treaties revised or abrogated. These she claims were not negotiated; they were imposed.

She is disposed to repudiate foreign loans corruptly made, and used for purposes other than those intended.

She wants tariff autonomy, and freedom from the 5 per cent. ad-valorem duties on foreign imports, while being obliged to pay ten times that on exports to other countries. She asks, how can you expect a government in China to function with a tariff of 5 per cent?

Her demands are gathering momentum from sources not easy for us to understand. Her government is still practically non-existent. But a number of wonderful movements are sweeping the Empire, and converging in a great nationalist spirit of imposing proportions. Behind most of these movements stand the students, the most restless and influential group in China to-day. It includes the mass education movement which has swept China like a prairie fire. We had Jimmy Yen the young Yale Chinaman, who evolved that alphabet and heads that movement with us in Honolulu. In three months by his system the illiterates of China who numbered 320,000,000 may learn to read write and keep simple accounts.

Then there is the Renaissance movement, to restore and recreate the four thousand year old culture of the Empire.

There are Nationalist groups, and vilage study groups and New Thought groups—all the evidences of a great stirring life in a nation that has been in a condition of national catalepsy. And great leaders are emerging as they always do in a crises.

But it is not Japan and China alone that we must consider.

There is a greater and more ominous background to the East than even the two nations mentioned. In the shadows stands the sinister figure of Soviet Russia. Russia, which is really an Asiatic power; and which has taken on a European veneer only since the time of Peter the Great. The Soviet have their emissaries in Pekin. They have common ground with the student Rationalists who denounce Christianity as a detestable religion because it teaches obedience which is the religion of the serf, and superstition which is the enemy of truth. Russia has cultivated Japan by the treaty of last January, which gives Japan oil rights in Saghalien, fishing rights for her seamen in Russian water and which reaffirms the treaty of Portsmouth. Japan, too, must seek much of her raw material in Asiatic Russia.

China has been conciliated by a renunciation on the part of Russia of her extra territorial rights in that Empire, and Russia's collusion with the forces of Sun Yat Sen against the foreigners especially Britain in the treaty ports. There has been an effort to avoid antagonising America, and to confederate Asian people against Britain. As China has 400 million people—100 million more than all Europe, is rapidly industrialized and as a Pan-Asiatic confederacy would embrace perhaps 900 million people, the menacing character of such a combination is evident. The Soviet, foiled to some extent in Europe, and hating Britain with intense bitterness, hopes to stab her in her Pacific back.

If we hope to trade with Asia, should we not make some effort to understand Asia? To know its history, its language, its ideals? Should not our Department of External Affairs be manned adequately, and its scope expanded; our promising young linguists drafted for our trade commissionerships abroad, and our immigration and customs work at home; our universities giving more attention to Oriental things, and encouraging students from Asia?

Individual Needs Important in Building Investment Account

By JOHN P. MULLEN,

Educational Department, Investment Bankers Association of America, in The Financial Age.

As his interest in and demand for bonds grow, it becomes all important that the investor have some knowledge of how to prepare a systematic and constructive investment program and how to build an investment account, not only as a precautionary measure against loss, but also to enable him to make his investment profitable.

Safe and profitable investing implies a great deal more than the purchase of bonds which meet the tests of a legitimate investment. It entails a consideration of the investor's individual requirements. Too frequently men and women buy bonds because they have the money available with little thought to the proper correlation of the securities in their account and with no conception of the plan or arrangement of the financial reserve most appropriate for the purpose in mind. Nothing demands more thoughtful consideration, more delicate perception, or a greater nicety of selection than the advantageous building and handling of an investment account that will adequately satisfy completely every need of the particular investor. The investment that is wise for Jones may be unwise for Smith, and the bond that is a logical investment for Jones to-day may be unsuitable for him to-morrow. The selection of investment securities should be guided by a cold analysis of the individual requirements. The wide variance in these requirements clearly indicates that no universal formula can be established. There are, however, a few general considerations which the investor should have in mind when analyzing his needs and which will prove helpful in determining the requirements of the specific account.

How Much Safety?

The most important decision confronting the investor is the amount of safety he should buy. Since investments are made primarily for the purpose of preserving funds already possessed, that degree of safety which assures the payment of interest and the return of principal should always be the first consideration. But in some instances anything above that degree represents a waste of investment capital and an excess that must be charged up to poor buying judgment. The desire for unquestioned safety may be somewhat costly to the investor as is the universal desire for a higher yield than is consistent with safety.

It is not to be inferred, however, that a high degree of safety is not always advantageous. Those who are dependent upon the yield from their investments and those who are investing funds held in trust should always seek a maximum of security. The wealthy man or the young man without dependents might, on the other hand, be investing just as wisely should he prefer a lower measure of security and a slightly higher rate of return. The investor's need for safety may vary at different periods, but at all times it should be determined by a thoughtful consideration of his financial position and the purpose of the investment. His problem is to get the highest return on his money consistent with safety, but he should never forget that an appropriate measure of security should decide the selection.

Needs of Marketability

Marketability, the readiness with which bonds may be sold, should always be sought in an investment, but there is a tendency on the part of most investors to over-emphasize its importance. Banks, corporations, and individuals who are making temporary investments and who wish to insure the almost constant liquidity of their funds will profit most by buying bonds that are readily salable. A high degree of marketability is also an advantage to the man who expects to borrow occasionally by depositing his bonds as collateral. But the average investor, who usually holds his bonds until maturity, needs nothing more than a small portion of his holdings in a highly salable form. The advantages enjoyed by the bond which is traded in the open market are worth just what they cost. The investor who pays for a wider and more active market than his needs require is wasting his capital.

How About Maturities?

Where the bond account as a whole possesses a satisfactory marketability, maturing dates are usually of secondary importance. If, however, the investor forsees a definite future need for his funds, he should select a maturity falling within that period, and not rely upon the sale of long-time bonds. Again, investments made in periods of high prices should be in short-time securities, with a view to reinvesting in long-term bonds when interest rates are more favorable. Lacking any special or definite requirements, the investor will find it to his advantage to invest in long-term issues that afford a favorable yield and that do not require constant attention.

Other Considerations

Besides rate or return, marketability, desirability from the point of maturity and tax exemptions, there are many other bond features that the investor must take into consideration. They include chance for profit, stability of price, acceptability as collateral, convertibility and callability. The degree in which these qualities exist in a given security determines the market value of the bond. While they are all very desirable in themselves, they are features which must be paid for according to their degree; an, unless the investor is very careful to decide just what qualities he desires and the degree of these qualities necessary to his requirements, he is likely to waste his money buying value that affords very little income.

Importance of Diversification

The most logical, important and common sense foundation for the safe and profitable building of an investment account, and, strangely enough, the one most universally disregarded, is the principle of diversification. No security built by the hand of man will be absolutely safe, since its safety is related to a future over which man has very little control. Some degree of risk always exists, and it is the purpose of diversification to minimize and distribute this risk in every manner possible, while keeping money profitably employed. To hazard one's fortune or small savings in one issue, in one type of issue, or in one locality would be neither wise nor necessary.

A wide and thorough distribution of risk can be achieved by diversification in several different directions. The most effective plan, however, is to diversify investments according to the amount of capital, according to the type or class, according to geographical locations, and as to maturity. In considering diversification according to the amount of capital, the investor must determine that unit which will prevent the number of securites from becoming burdensome and at the same time give him the widest distribution possible within the limits of his investment capital. There is no rule to follow other than that dicated by common sense.

Whether a man sets as his unit $100 or $10,000 must be determined by the amount he can invest systematically, the availability of different issues at a price corresponding to that unit, the time he can give to the handling of his account, and the extent of the distribution he wishes to achieve. The point to be kept in mind is that some unit is necessary as a guide to intelligent diversifications. It may vary with different individuals and with the same individual at different periods, but should never be disregarded without reason, and should be kept as low as possible.

Applying the Principle

Diversification according to type of security, or in other words, according to the character of the issuer, can be very easily accomplished within the artificial limit is imposed by taxation. It is obviously common sense and judicious that it should require little urging. While it is conceivable that one calamity might affect all classes of corporations and governments at the same time, it is much less probable; and the investor who has effected a distribution representing the best investment in all the different types has taken a great step toward cutting down the fraction of risk. Diversification of this nature should follow some plan which establishes the amount of each class to be held. A good diversification for the ordinary investor might be arranged something like this: 15 per cent. in foreign government bonds; 20 per cent. in railroad bonds; 30 per cent. in public utility; 25 per cent. in industrials, and the remaining 10 per cent. in real estate, municipal or government securities, or in good preferred stocks. In each class there should be a further diversification. All railroad bonds should not be the obligations of one or two systems, or even one type of road alone. Utilities should include traction, gas, telephone, power and light bonds, further distributed according to the issuing companies. It is always best to see that no one class of security or no one issuing corporation is represented too heavily in the account.

Past experience with defaults and repudiations should warn the investor that it is unwise to trust all his savings to one locality. Hardships have fallen on certain sections of this country and Europe which have greatly impaired the safety of loans therein. No locality is immune. A consideration of the defaults and repudiations in the south, northwest, and the hardships suffered by industrial and utilities during certain periods in the east will make evident to the investor the foolhardiness of neglecting a geographical distribution.

There are two very good reasons for providing a diversification according to maturity. To have all securities mature at the same time would be unwise, since it would necessitate reinvestment of all funds under money conditions which might be disadvantageous. If bond prices at the maturity date should be higher than at the time the investment was made, a shrinkage in the income from the account would be unavoidable. Moreover, by providing for diversification in maturity the investor is taking the best possible step to prevent a great fluctuation in the purchasing power of his savings. Variations in the value of the dollar over long periods add a speculative feature to investments, which should be guarded against by having a portion of the account mature every few years.

Soundness Paramount

The one thought that the investor should keep in mind is that diversification is never a substitute for caution or good judgment. One cannot expect to profit by diversification if he neglects to exercise good buying judgment and purchases bonds with no thought to his individual needs or to the requirements of the account he is trying to build. Diversification is a sensible attempt to minimize the ever-present element of risk. It is an attempt to make a good investment account better. It cannot make investments in inferior securities profitable. The man or woman who is building the reserve structure of an investment account should be concerned primarily with the soundness of the individual securities, and then with that arrangement of these securities which will be most feasible and profitable.

WEST WILL REAP PROFITS FROM ITS ANNUAL PRODUCTS

(Continued from page 17)

longer cure, bacon from Alberta and Saskatchewan commands a premium on the British market over bacon from most other countries.

To encourage the raising of hogs in large quantities which would be of the type, weight and finish, most acceptable to the British market, an arrangement was entered into in 1923 between the packers, the Canadian government and the hog raisers to pay a premium of 10 per cent. above the established market from day to day for Wiltshire bacon type hogs. As a consequence, exports of cured pork in 1024 increased about 128 per cent. over those of 1923, and exports of 1925 increased about 170 per cent. over those of 1923. The exports of 1925 could have been substantially greater had a sufficient number of hogs of the proper type been available.

These figures will indicate the probable development of the export pork trade from Alberta and Saskatchewan in the near future, provided the farmers co-operate by producing the proper raw material.

Mutton Industry Expands

Another industry which has shown good development is mutton and lamb. Fat lambs find a ready demand each winter at attractive prices, and sales of ewes throughout Alberta during the fall of 1925 have realized $12 to $14 per head in many instances. There is also a constant trade in breeding ewes brought in from the United States.

With such a country, such a people, and such opportunities, one cannot but look upon the future of the food trades in Western Canada with confidence.

Our keenest want is increased population of the kind who are able and willing to work out their own salvation in a country where success depends upon intelligent effort and enterprise. The home market is always the best market, and hands to work up the basic commodities of the West and consumers to provide a market for its food — immigration in large numbers of a class to compare with its present population lie at the root of our continued prosperity. Alberta's annual income of $2,300,000 in basic commodities, produced largely by its agricultural population could within a few years be read in billions, not only of raw products but of manufactured articles as well, and its population figured in millions instead of thousands.

Magazine Advertising That is of Interest to the Dealer

LYDIATT'S Data Book gives the number of retail storekeepers in Canada in towns of four thousand and over as 50,589.

It is estimated that MacLean's Magazine is read regularly by more than 25,000 retailers. It is the home magazine of these merchants and is read by them in the evening when they are at their leisure.

Retailers know that the goods that meet with least sales resistance, that are asked for by their best customers, and that have quick turnovers are those that are well advertised. They also know that consistent magazine advertising will establish a product among the "leadership" families in their communities.

Naturally, they are favorably disposed towards the products which they see advertised regularly in MacLean's—the magazine that they read in their own homes.

In advertising in MacLean's Magazine the manufacturer is not only reaching a most important part of the consumer purchasing power in Canada but is at the same time establishing a prestige and a quality reputation for his products among a very considerable proportion of the retail merchants right across Canada from Halifax to Vancouver.

The
MacLean Publishing Company
Limited
153 University Ave., Toronto

MACLEAN'S
"CANADA'S NATIONAL MAGAZINE"